

The NATIONAL UNDERWRITER



*REINSURANCE is the bedrock
of safety underlying the insurance industry's
contribution to the affairs of men.*



GENERAL REINSURANCE GROUP

Largest American multiple line market
dealing exclusively in Reinsurance

GENERAL REINSURANCE
CORPORATION
Casualty • Fidelity
Surety

NORTH STAR REINSURANCE
CORPORATION
Fire • Inland Marine
Ocean Marine

90 JOHN ST., NEW YORK 38

THURSDAY, OCTOBER 9, 1952

Saw Your
Companies' Ad In
The Magazines Today!



... These excerpts from a few of the many unsolicited letters* we receive tell you why:

"NEVER HAD SUCH SPLENDID SERVICE BEFORE"

"Please accept my sincere appreciation for the prompt and satisfactory manner in which you and your company handled the matter involved. I have never had dealings with any insurance matter that has been given such splendid attention."

"I shall be happy to recommend your company to anyone with the full confidence that they practice to the letter what some other companies merely promise."

Clergyman—Kesten

FIRE DESTROYS GARAGE; LOSS SETTLED QUICKLY

"As Pastor of the Church here and because we live in a personage, I want to express appreciation for the quick settling of the loss by fire of the garage where we kept our car. On behalf of our trustees and our friends, we sincerely thank you and your company."

You too can get this quality of insurance protection and doing business with the America Fore Insurance men in your community. For his name call Western Union (by number). Ask for America Fore.

*Request letters on file at our home office.

The America Fore Insurance Group comprises:
CONTINENTAL • FIDELITY-PHENIX • AMERICAN EAGLE • FIDELITY and C. INSURANCE COMPANIES OF NEW YORK

LOOK FOR THIS SEAL ON YOUR POLICIES



"M-M-M looks like you've blo a gasket!"

Joe's a genius—he can take my old bus and make it hum like a brand new Rolls. He's an expert—on motors! But I wouldn't think of him if I had a sore throat. I would go to a physician.

The same is true of insurance. You services of an expert.



For the name of a nearby Insurance man or claims office, Union by number, ask for

The America Fore Insurance Group Inc.

The United States Department of Agriculture reports the investment in farming to be in excess of 111 billion dollars. Much of this is in buildings, machinery, grain, feed and livestock.

Is your share of this immense wealth properly and adequately insured? Have you checked your insurance recently? Do you have Extended Coverage? Are machinery and livestock covered? Our agents specialize in these fields.



\$111,000,000,000

MILLIONS of insurance buyers everywhere read America Fore Group national advertising as it regularly appears in the leading magazines. Here are three messages which run in October.

Television Added Participant in Fire Prevention

Two New Publications Included in Material for 33rd Observance

Television has been added to the public information media participating in the 33rd annual national fire prevention week. Three new five-minute film shorts for television are available from local fire chiefs.

National Board has sent out some 14 million pieces of literature for the week, observed annually about the anniversary of the Chicago fire. Included in this mass distribution are two new publications: cartoon books for school children and a book on farm fire safety.

The National Board office at New York received 6,400 requests for material this year, and the combined total of the Chicago, San Francisco and New York offices will reach 8,600, slightly above the 1951 totals of 8,567. Local agents, schools and fire chiefs again lead the list of those requesting material.

In New City "Stupid Carelessness," a comic routine with a fire prevention theme, will be presented for the first time in four local live television shows. The actors in this skit are Henry A. Ritgerod, public relations director, and Carl S. Smalley, executive secretary, of the Arkansas State Fire Prevention Assn. Mr. Ritgerod, wearing a clown's costume, and Mr. Smalley, acting as straight man, have presented their skit to over 100,000 Arkansas school children.

Aside from the prodigious circulation of material undertaken by the board, 50 field clubs and the state fire prevention associations also have film libraries and speakers bureaus ready for fire prevention work.

President Truman issued a proclamation designating Oct. 5-11 fire prevention week. Twenty-two state governors issued similar proclamations and urged citizens to cooperate in the observance, which is the annual "kick-off" for 52 weeks of fire prevention.

Radio, press and television year-round fire prevention work is recognized annually by the Gold Medal Awards presented by the National Board to organizations judged to be doing "outstanding public service in fire prevention."

One of the widely circulated pieces was a cartoon stressing the importance of not smoking in bed. This fire hazard was tragically illustrated on the opening day of the observance with a news story in New York City: two persons burned to death in a New York City hotel fire caused by smoking in bed.

Another widely circulated fire prevention reminder was the film trailer "Joe Forgets Something." Over 2,000 of these were distributed to theatres, while some 226 copies were distributed in 16mm film sizes.

Roughly 14 million pieces were distributed by the board this year, an increase of 3 million over last year. Included were some 1,300,000 posters, 100,000 more than last year. Over 975

(CONTINUED ON PAGE 27)

Commissioners Get Briefing on Empiro Dwelling Policies

Roy McCullough, manager of Multiple Peril Insurance Rating Organization, gave an address at the zone 4 commissioners' meeting at Milwaukee on the homeowners' multiple line package policies of MPIRO (Empiro). He said there has been no filing of this plan in any zone 4 state. The appeal, he said, is to the large mass market; hence the named peril design. An all-risk approach would have bordered on the personal property floater realm, would have called for a large premium and might have restricted the market to the carriage trade or merely set up competition with PPF.

(POLICY FACE SHOWN ON PAGE 28)

Mr. McCullough said that of every 100 buyers of fire insurance, 99 buy EC, 25 buy comprehensive personal liability, and 16 buy theft. This indicates that there is a sizable untapped market for the sale of burglary and liability coverage.

One purpose in making the package consist merely of an aggregation of covers that are presently on the market was to avoid the necessity of engaging in educational work among the agents. Also it was felt that this would be something that would be familiar to banking and credit agencies.

Limits of Liability

Mr. McCullough distributed copies of home owners' policy A, and home owners' policy B. He pointed out that the limits of liability of coverages (as per specimen reproduced on page 28) B C D and E are all a function of coverage A. Incidentally, the face of the policy that is shown is policy B. Policy A is the same except that it does not include A E C perils, and the amount of additional living expense in policy A is 10% of the dwelling coverages, whereas under policy B it is 20%.

The amount of insurance on the dwelling that can be purchased starts at \$8,000 and goes up at \$1,000 intervals to \$12,000. After that the next amount that can be bought is \$13,000, then \$15,000 and then at intervals of \$2,500 up to \$50,000. Odd amounts of insurance are avoided in an effort to avoid doing \$5 work for \$1.50 premium.

The amount of insurance on household and personal property is 40% of the dwelling coverage. He said this is a judgment factor and it is a far better ratio than is now being obtained. The

biggest problem on the score of procuring insurance to value is on personal property. There are far too many small household furnishings policies in existence, he said.

He emphasized this policy can be issued only for a three-year term. It can be paid in annual installments. The first installment is one-third of the three year premium plus 10%. This amounts to 3 1/3% interest on the entire three years premium. He gave as an example, \$25,000 on a brick house in Philadelphia. The three-year premium is \$210 and the first year premium if paid in installments would be \$70 plus \$7 or \$77.

Advantage of Simplicity

This, he said, has the advantage of simplicity and doesn't involve the increase in premium at the fourth year that is encountered in the annual payment of the five year term.

Although the plan provides for giving credit for existing insurance, the insured is better off usually to cancel his existing coverage, even at the short rate.

The premium, he went on to say, is indivisible. The discount from the sum of the constituent coverages is about 20%. This is in recognition of the loss and expense savings. If the coverages were issued separately, there would be three policies and in connection with the fire there would be EC and AEC endorsements. There would be five insertions in the typewriter and the number of words and symbols typed would be about 150. With the Empiro policy there is one insertion and 50 words. It is easy to get the rate out of the special manual for this policy, and there is only one instead of three rate manuals. In the

(CONTINUED ON PAGE 28)

Urges Companies, Insured Cooperate to Reduce Losses

NEW YORK — The automobile insurance business and the American public must cooperate to solve the problem of rising rates for physical damage coverage if the "birth of socialized insurance" is to be prevented, Mark M. Hart, president of American Plan Corp., told the 100 Club, a group of business leaders.

Mr. Hart, whose organization specializes in coverage on financed automobiles, said that people should be told that dishonest insured, adjusters and repairers are causing companies millions of dollars of losses in excess of damages actually sustained. Since the honest insured eventually is hit by dishonest practices in the form of higher rates, it is certain that when he becomes fully aware of this situation he will "spread the gospel of fair dealing and honest practice," he added.

Labor Unions Are Interested

"The insurance industry and the public," he stated, "owe it to themselves to work this out without government intervention in order to prevent the birth of socialized insurance. You may be interested to know that strong labor unions have been watching the insurance industry closely and already own and dominate insurance companies in several states."

Zone 4 Officials Hold Session at Milwaukee

Attention Given to N.A.U.A. Formula and Installment Sales Problems

The zone 4 commissioners were in session at Milwaukee last Friday and Saturday with Insurance Director Day of Illinois as chairman. Mr. Day returned to Chicago Thursday evening for the banquet celebrating the attainment of \$2 billion of life insurance in force by Continental Assurance, but he was back in Milwaukee for the final session. Commissioner Navarre of Michigan was on hand the first day, but had an emergency call that the Michigan insurance department was about to have a lot of its office space amputated and he hustled back to save the day and was not present to give his report on research into company examination procedures and techniques.

Other full commissioners present were Nelson of Minnesota, Mitchell of South Dakota and Lange of Wisconsin. Clarence C. Klocksin of Northwestern Mutual Life was chairman of the committee on arrangements. The group had dinner and an evening of entertainment at Blatz Brewery, and heard a talk by Lloyd Larson, sports editor of Milwaukee Sentinel and saw a film on the 1951 University of Wisconsin football highlights.

There was a convention luncheon on Friday with the Wisconsin companies as hosts.

N.A.U.A. Formula Debated

On the first morning there was considerable discussion of the proposed new rating formula of National Automobile Underwriters Assn. There was distributed a report of the Casualty Raters Organization, signed by L. P. Coddington of Illinois, the secretary, charging that the new rating formula is objectionable because it does not provide proper standards of measurement in rate making. The report states that the formula rather than setting up standards for rate adjustment, establishes an expense provision which varies from year to year depending upon past experience which in turn varies the allowance for the permissible loss ratio from year to year.

Howard Omsberg of N.A.U.A., expressed disagreement with this conclusion. He asked that the commissioners refrain from pre-judging this rating formula. He said there has been no filing made under it and he urged that the state officials wait and see what the practical application is of this formula.

On the basis of the old formula, expenses were a fixed percentage of the premium dollar. The new formula comprehends the actual dollar expenditures for losses and expenses plus a 25% factor for commission and 5% for profit and contingencies. The formula, Mr. Omsberg observed, determines how much revenue a company needs. Then the detailed experience is analyzed and determination made of what rate adjustments shall occur.

Edward J. Dirksen, assistant Illinois

(CONTINUED ON PAGE 27)

ACCOUNTANTS

Expect Record Crowd at Parley

C. D. McVay, president of Ohio Farmers group, has been added to the program for the annual fall conference of Insurance Accountants Assn. at Skyscraper, Pa., Oct. 22-24. Mr. McVay will be the keynote speaker of the program which the accountants have planned.

Another added starter is Laurence Longley-Cook, actuary of North America, who will join Dudley Pruitt, actuary of General Accident, in a discussion Oct. 24 of the law of large numbers in the fire business.

Advance registrations indicate that there will be an attendance of around 200, which would be a record, according to H. Edward Hill of Excess Management Corp., who is chairman of the arrangements committee. Paul J. Synor of North British is chairman of the program committee and E. G. Crasper, Pacific Fire, chairman of exhibits.

Exhibitors include I.B.M., Diebold, Thomas A. Edison, Gray Manufacturing, National Cash Register, Remington-Rand, Standard Register Co., Simplicity Research and Manufacturing Co., John S. Swift Co., Visualart and Recordak Corp.

One of the features of the meeting will be a session of the electronics committee, headed by Mr. Crasper. At this session the accountants will go over the results of selected work of North British and North America which have been put through the Univac (Remington-Rand), the electronics device. The meeting will occur on Wednesday at Skyscraper. In Philadelphia Oct. 17 the committee will see a demonstration on Univac of the two fire insurance work projects in process.

The 1953 conference has been set for Oct. 14-15 at Philadelphia.

Day Jacks Up Regulations on Ill. Farm Mutuals

Insurance Director Day of Illinois has issued a set of rules and regulations governing farm mutual companies which he said were suggested by recent examinations of such insurers. Securities, it is ruled, shall not be kept in the personal deposit box of an officer or in an envelope in a file in the company office unless this is in a fireproof safe or vault that is properly locked. Each safety deposit box shall be rented in the name of the company. At least two officers must be present when a box is opened. The statute provides for bonding the secretary-treasurer for at least \$1000, but Mr. Day said the directors should require similar bonds for all directors, officers, assistants, agents, clerks or others who handle money or securities. Personal bonds will not be permitted.

The company must keep its records so that its financial condition can be ascertained and its financial statements readily verified, and its compliance with the law determined. The books must be closed as of Dec. 31. The authority of the insurance director must be gotten for the destruction of original records. A register reflecting all changes in the policy during its term shall be maintained. Original records shall be kept in fire resistant files.

Collections made by representatives must be turned over to the company at least every three months or oftener if the volume of cash warrants. All receipts must be deposited in the bank intact in the name of the company. Receipts must not be deposited in the name of an officer. Companies must retain a duplicate deposit slip covering all deposits and listing all checks in detail. All checks shall be numbered and recorded consecutively in an original record of cash disbursements. The checks must bear the personal signatures of at least two officers. Rubber stamp signatures are not permitted.

If a petty cash fund is maintained, it

shall be made for the payment of small bills, or for making change only. Each disbursement must be supported by a signed voucher or receipted invoice. The fund should be reimbursed at regular intervals and always on the last business day of each year.

For maximum safety, each company should have all securities registered in its name. Bearer bonds are rarely advisable. Money shall not be loaned to any officer, director, employee, policyholder, or any other individual. Investments must be limited to U. S. government bonds and Illinois municipals.

Southwest Hail Adjusters Study Cotton Crop Losses

Damage to cotton crops by hail was discussed by the southwest adjustment committee of Hail Insurance Adjustment & Research Assn. at Lubbock, Tex., last week at a meeting attended by about 75 managers and adjusters.

The program included a review of hail damage to cotton and recovery of the plant, differences between irrigated and non-irrigated cotton, damage to cotton from insects, diseases, drought and wet weather, adjustment of second losses by

hail, and the value of deferral of losses to permit plants to show whether they have been damaged beyond recovery. The group took a field inspection of crops which had been damaged by hail early in the season.

The adjusters agreed that the cotton plant can recover to a remarkable degree from damage done by hail in the earlier stages of growth, but recovery is more difficult as the crop nears maturity.

This was a companion meeting to that the southwest adjusters conference had at Dallas in the spring before any hail losses had occurred.

An Advertisement similar to this appears in SATURDAY EVENING POST, October 18, and in NEWSWEEK, October 27



"Grand Match for the Championship at the Elysian Fields, Hoboken, N. J.—1860." A rare Currier and Ives print.



Men on first and third

Two out in the ninth, and the game in the balance . . . men on first and third. Will the batter drive them home? It's skill against skill, with a large element of chance.

This situation can be compared with our everyday affairs. At any given moment, our property and savings may be equally in the balance. But, unlike a baseball game, their preservation is too serious to leave to chance. That's why so many wise people turn to sound insurance for their all-round protection . . . a safeguard that the Great American Group of Insurance Companies has been providing for over 80 years.

A call to any of Great American's 16,000 local agents, or your broker, puts you under no obligation. Either will help you assess your risks and tailor an insurance plan to meet them.

Great American Group of Insurance Companies

GREAT AMERICAN • GREAT AMERICAN INDEMNITY • AMERICAN ALLIANCE • AMERICAN NATIONAL • DETROIT FIRE & MARINE • MASSACHUSETTS FIRE & MARINE • ROCHESTER AMERICAN

WORLD-WIDE FACILITIES FOR PRACTICALLY ALL FORMS OF INSURANCE EXCEPT LIFE

Sees Rate Hikes No Longer An Answer to the Problems

One big difficulty in insurance, which is concerned with so many vital problems today, is that too many people are interested primarily in what effect any change will have in their own back yard and on their own pocketbook. W. Chandler Moffatt, Westport, president Connecticut Assn. of Insurance Agents, said in his presidential report at the annual meeting in New Haven.

The automobile problem is not confined to Connecticut agents, it is nationwide and is causing many headaches to company executives, bureau men, supervisory officials as well as agents. There is no easy solution, he said. It might look as though the matter could be solved by increasing rates, but that has been tried five times in four years and has only increased the problems. More insurers are having trouble getting up reserves required by the new, higher rates and are having to curtail their writings and tell their agents they cannot accept any new business. Some companies are getting panicky and are closing out agencies where they feel there is too high a percentage of auto business. New financial responsibility laws have sent many additional car owners looking for insurance.

Direct Writers Pick It Up

In the meantime, the direct writers go merrily on their way, skimming more and more of the cream and writing a larger volume. One direct writer alone has increased its automobile volume to \$57 million in the first six months of 1952, a 40% increase over the same period of 1951. Of the ten largest writers of auto liability in Connecticut five are non-bureau. Two of them have increased their writings about 25% 1949 to 1951 while bureau companies were increasing approximately 15%.

These insurers have not found it necessary to raise rates to the same extent as bureau companies so that in one recent case in Connecticut a bureau company quoted the premium of \$1000, a direct writer \$300 for the same risk. In another case, a private passenger car for which the bureau company wanted a premium of \$164 was accepted by the direct writer for \$49, both on the basis of field rates. Does this mean that their experience is that much better or that they are that much better underwriters?

Mr. Moffatt said he did not know the answers, but he believes there are enough brains in the insurance business to find them. However, time is running out, he declared. The solution can't be found in the attitude of some insurers who say they don't want the business, let the direct writers have it.

Agent, Company Cooperation

He believes increased rates can no longer be considered an answer. However, he does think that compulsory inspection of vehicles and periodic examination of drivers, stricter enforcement of traffic laws, and safety education of the public do offer hope for a solution. He called for closer cooperation between agents and companies to improve experience and expand the market. The motor vehicle commissioner of Connecticut has reported that in the first two months of the operation of the new F. R. law there 9767 motorists

were involved in reportable accidents and 4546 or more than 46% were uninsured. This is a challenge to agents.

He praised companies for advertising safety programs, emphasizing agency services, etc. However, agents can't leave it entirely to companies to carry the ball. If, instead of receiving a percentage of the premium shown on the policy, agents had to show their commission as a service fee, they would have a lot of explaining to do. This does not mean that agents are getting too much for their services, but it does mean that it is time to throw away modesty and make sure the public knows what service they do get from the agent.

Commission Problems

Commissions are and should remain a matter of private contract between individual agent and company, he said. There is a point below which agents cannot receive the return to which they are reasonably entitled in view of training, facilities and service. There is a point of diminishing returns when commissioners start suggesting rate reductions and where the direct writers have too big a margin.

Fla. Fire Rates Reduced

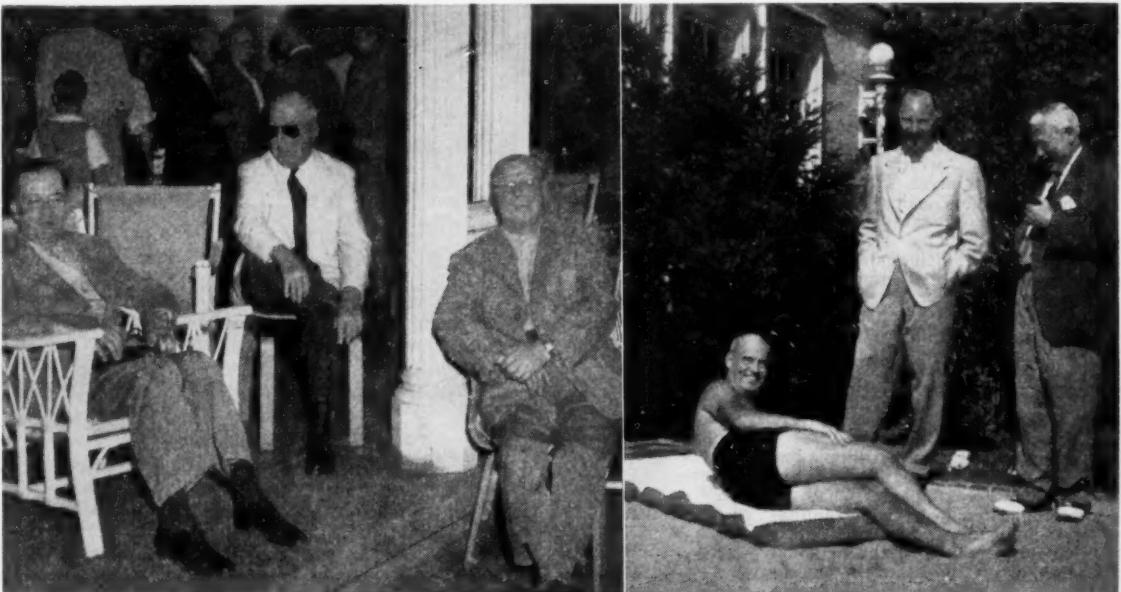
Commissioner Larson of Florida announces that there will be a fire insurance rate reduction effective Nov. 1 that will produce a state-wide decrease in premiums of about \$2 million.

The rate reduction on dwellings and apartments ranges from 5 to 20% while the rate on schools goes down from 10 to 17 1/2%. There is an average reduction of 11% on churches and chapels, and 11.8% on public property and 10% on hospitals.

Mr. Larson noted that rate reductions in Florida over the past five years have produced savings to the policyholders of \$5 million annually.

Wis. Field Men Hear Krier

Urban Krier, executive secretary of Wisconsin Assn. of Insurance Agents, discussed insurance legislative prospects at the quarterly meeting of Wisconsin Fire Underwriters Assn. at Milwaukee Monday. The W.U.A. movie, "I Take Risks," was shown and an award for outstanding service to stock fire insurance was presented to William H. Berry, manager of the America Fore public utilities department.



Scenes of relaxation between sessions at W.U.A. convention at White Sulphur Springs: C. H. Metzner, assistant manager Western Underwriters Assn.; R. E. Minner of Chicago, vice-president of Home, and R. D. Hobbs, general manager Western Actuarial Bureau; J. Victor Herd, executive vice-president of America Fore, at the Greenbrier, with J. L. Magenheimer, assistant U. S. manager, and H. V. Tisdale, western department manager of North British & Mercantile.

UNUSUAL PROBLEM? USUAL ANSWER

KURT HITKE & COMPANY, INC.

General INSURANCE Agents

175 W. Jackson Boulevard
CHICAGO 4, ILL.
TELEPHONE WAbash 2-3622

900 Peachtree Street, N.E.
ATLANTA, GEORGIA
Phone Elgin 4481

Reisch Building
SPRINGFIELD, ILL.
Phone Springfield 8-4385

1671 Wilshire Boulevard
LOS ANGELES 17, CALIF.
Phone Dunkirk 8-3161

1335 Biscayne Blvd.
MIAMI 32, FLA.
Phone 82-8228

1926

our 26th year

1952

Another of Loss Is Sch

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Another Airing of Excess of Loss Accounting Issue Is Scheduled for Oct. 22-23

The meeting of the N.A.I.C. blanks subcommittee is to be held at Chicago Oct. 22-23 on the proposal of North America in reference to presentation of excess of loss reinsurance in the annual statement. Joseph R. Glennon of Illinois, who is chairman of this committee, states that the first day's session and as much of the second day's as is needed will be devoted to an open discussion. Then there will be a closed meeting.

In this connection it can be reported that a committee of Assn. of Casualty & Surety Companies recently voted against the idea of setting up, insofar as casualty insurance is concerned, excess of loss reinsurance as a separate line of business in the annual statement blank. The committee stated it would have less objection to such separation if the proposal were modified so that direct writing companies that also handle excess of loss reinsurance on a treaty basis would not be required to segregate this excess of loss business by lines unless this type of business accounts for 2.5% or more of the direct writer's premiums.

The committee suggested as a definition of excess of loss reinsurance in the casualty field that it is a contract between insurers whereunder the reinsurer assumes losses in excess of specified amounts which are the primary responsibility of the ceding company. The contract applies to liabilities of a ceding company falling in a specified category or categories. It does not include excess covers for self-insurers nor facultative reinsurance for individual risks placed on an excess of loss basis, catastrophe insurance nor deductible where written for the account of individual insured. It does not include quota share reinsurance or surplus share reinsurance.

Chicago Elevator Men's Strike Caused Turmoil

The strike of elevator operators in downtown office buildings at Chicago was ended Monday morning to the relief even of those employees who had regarded the whole thing for a day or two as a lark. The Insurance Exchange lobby during the strike resembled a big railroad station just before Christmas with all trains delayed. All sorts of makeshift arrangements were resorted to by those in charge of the more heavenward offices to take care of essential business. Mail was made available in the lobby and office groups were in huddles. A surprisingly large number of employees made the climb each day on their own initiative to the higher floors.

There was an amusing incident involving an office on the fifteenth floor. The managers had decided to work on their mail on the lobby floor, but an office broker came along early and deciding to make the climb, took most of the firm's mail along with him, in Boy Scout fashion. Called upon to bring it all back down again, he decided to found the Order of the Unhelping Hand.

Several firms set up headquarters in hotels and clubs but found that the lack of telephone facilities made such efforts all but worthless.

It was noted that the strike commenced on the opening day of the world series last Wednesday.

Cary in Campaign Row

Walter B. Cary, president of Michigan Insurance Agency, Detroit, and former president of Michigan Assn. of Insurance Agents, got considerable publicity in the daily press throughout Michigan in connection with his financial assistance of Lt. Gov. William C. Vandenberg in the latter's unsuccessful campaign for the Republican gubernatorial nomination.

Cary, according to press reports, demanded that Vandenberg's son, W. C.,

Jr., return \$2,200 in salary drawn for services during his father's campaign, for which Cary had served as treasurer. Cary said he had learned that Vandenberg, Jr., was on the campaign payroll for \$100 per week, plus expenses, and his expense account was alleged to have amounted to \$4,400. The Detroit agent further charged that Vandenberg, Jr., had declined to pay three secretaries who worked on the campaign. The candidate's son denied Cary's accusations, claiming his expenses amounted to less than \$100 and that part of his admitted \$2,200 salary had gone to

meet clerical and stenographic expense. The elder Vandenberg said Cary's office had handled all accounting during the campaign and that all checks cleared through that office.

Turkey Experience Good

ST. PAUL — With only two weeks liability remaining on most of the 1952 turkey crop covered by Farm Owners Mutual of St. Paul, W. J. McGladrey, president, reports a loss experience of only about 33%. While there were many scattered losses, none was of the catastrophe type, he said.

Question Arises on Wind Loss to Sidewalk

The question of liability for wind damage to sidewalks came in for study when an insured submitted a claim under extended coverage. The walk was badly damaged by the impact of a tree that was blown down in a wind squall. The insurer decided to pay on the theory that the sidewalk constituted part of building equipment or, alternatively, outdoor equipment pertaining to the service of the premises.

"THE INSIDE STORY"

From Town Constables To Top State Executives

Hartford Accident and Indemnity Company
Hartford, Connecticut

AGENCY REQUEST FOR PUBLIC OR FEDERAL OFFICIAL BOND NOT EXCEEDING \$10,000 WITHOUT APPLICATION BOND HAS/HAS NOT BEEN EXECUTED BY THIS AGENCY

Renewal of Bond

New Bond Name of Party to be Bonded _____ Age _____
Name of Residence _____ Occupation _____
Amount of Bond _____ To Whom is Bond Given _____
Official Title _____ Term begins _____ Term ends _____
Above named was elected or appointed _____ Date _____
He has not previously occupied this office, except as herein stated _____
and has never been in arrears in any position. I have known him for _____ years.
He is a person of good character and qualifications.
I recommend execution of Bond.
Agent's signature _____ Address _____
Let the HARTFORD Write Your Bonds. It is PROGRESSIVE and an AGENCY Company.
Form 8-3363 2nd Rev. Printed in U.S.A.



Election Year is Public Official Bond Year

By PAUL C. LEIJING, Associate Superintendent
Safety Department, Home Office
Hartford Accident and Indemnity Company

W HEN VOTERS go to the polls early in November they will elect not only a President of the United States but also a host of state and local public officials throughout the country. Elections will be held in many literally thousands of cities.

how this type of business can best be solicited. Here are some points to keep in mind:

Form of the Bond
Practice

Next month, from coast to coast, just about every victorious candidate will be required to furnish BOND before he can qualify for office — and that's where the agent who is wide awake can really "cash in"!

Read the facts — the whole story — about the vast lucrative BOND market that will be created by the coming elections. Write NOW for your free copy of this helpful and informative article as it appeared in THE HARTFORD AGENT.



Hartford Fire Insurance Company • Hartford Accident and Indemnity Company

Home Office: Hartford 15, Connecticut

Describes Problems of Independents in Recruiting Adjusters

E. H. Bockius of San Francisco, president of National Assn. of Independent Adjusters, related some of the troubles of the independent adjusters in acquiring personnel in his talk at the meeting of Mutual Loss Managers at Chicago.

The independent adjusters in 10 years have handled not only a greater volume of losses, but a larger percentage of the total losses available, Mr. Bockius declared. While operating in a competitive market in the adjusting field, the independent must compete to obtain his own staff, and only a few men of training and experience are available. The result, he said, is that beginners must be discovered and educated, an expensive proposition in view of the

fact that the mortality rate on beginning adjusters is "alarmingly high."

One company recently reported that it lost four out of every five men employed in its adjustment training program, Mr. Bockius said. The cost to any independent, taking all factors into consideration, of recruiting and training an adjuster runs into a substantial figure, and "it is no wonder that we often find the very companies we represent attempting to hire our personnel."

Is Practical Business Problem

The problem of training and developing new adjusters must be solved from a practical business standpoint, he added. The adjusters are confronted with the "urgent necessity" of operating at a profit during a period of constantly rising costs of operation.

Most independent adjusters follow the apprentice system in training their men, but despite frills that may be added in one form or another, Mr. Bockius noted that the fact is that the adjuster

must be trained by experience—he must be trained on the losses in his office. The companies at the same time often object to use of beginners, presenting somewhat of an impasse.

"It is easy to talk about not accepting more work than one can handle," Mr. Bockius observed. "It is not difficult to believe that the adjuster should not venture to accept references in fields in which he is not fully capable. Every independent adjuster knows the truth of these statements. However, he also knows that there is no hard and fast line at which he should stop. He realizes to an extent not always shared in company circles the pressure on him as a business man. Only if the companies realize that he is also a business man can an area of agreement be reached."

Mr. Bockius recommended that the loss managers set up some system similar to the case method of legal instruction, by placing before adjusters outstanding examples of good loss work. He said he would like to see actual reports filed by adjusters on losses that were properly handled and carefully detailed and explained distributed through the Mutual Loss Research Bureau, perhaps in a new "Journal of Adjusting." The loss examples could be put into a permanent indexed binding and eventually in addition to actual losses, the volume could include articles on special techniques, procedures and equipment. The influence of such a journal would reach its peak when it became a source of work, indexed and available when problems arise.

"Here as in other instances," he said, "competitors meet on a common ground and through the combined efforts bring about results that could not otherwise be as effective. He added, also, that "the cooperation of all sections of the industry is evidence that necessary competition can exist without lessening that essential element of our American way of life."

"Our companies, and associations are creating new ways of increasing services at lower cost in both old and new industries."

On Optional Basis Wind Deductible Is Wallflower

In those areas in which a windstorm and E. C. deductible has been introduced on an optional basis, company men say that virtually no insurance is sold with the deductible. The agents just simply don't bring the availability of the deductible to the attention of their customers, or if they do, they apparently do so with a wry face. Hence, as a practical matter, at least on the basis of the experience to date the deductible on an optional basis is no deductible at all.

Will Review FTC Activities

WASHINGTON — Federal trade commission activities with relation to insurance will be discussed by Henry Miller, FTC assistant general counsel, at the Oct. 10 luncheon meeting of District of Columbia Assn. of Insurance Agents. Mr. Miller indicated that his talk will deal with public law 15, trade practice conference rules approved by FTC with respect to mail order insurance, the so-called auto "pack" and other insurance complaints, investigations, regulatory activities, etc.

Douglass Leaves G.A.B.

Edward B. Douglass, adjuster in the Baton Rouge, La., office of General Adjustment Bureau, has resigned. His plans for the future will be announced later.



E. Webster Hilles, Jr., of Towers, Perin, Forster & Crosby, Inc., Philadelphia, with Mrs. W. B. Rearden, Jr., of Philadelphia, and Wallace J. Burt, Jr., assistant secretary of Northeastern, at W.U.A. convention.

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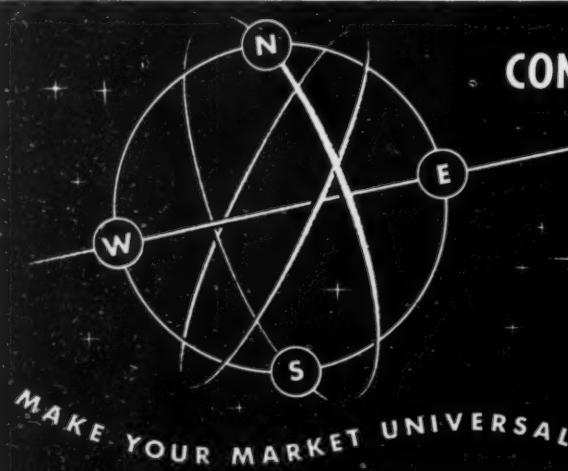
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October 9, 1952

Bureaus of New York Department Consolidated

The casualty, fire and marine and title and mortgage bureaus of the New York department have been consolidated into a single bureau.

The new expanded property bureau will be under the supervision of Deputy Superintendent Joseph F. Murphy. William C. Gould will be chief of the bureau, assisted by James B. Haley, in charge of the casualty section; Theodore M. Banta, directing the fire and marine section and Isaac Siegel, who will head the title and mortgage section.

The property bureau will have under its jurisdiction stock and mutual fire and marine and casualty and surety companies, reciprocals, hospital service and medical expense indemnity corporations, the state insurance fund and the aggregate trust fund.

Coincident with the consolidation of the bureau, the supervisory duties of the five deputy superintendents were realigned as follows: George H. Kline, rating, audit, uniform accounting and statistical bureaus; Adelbert G. Straub, Jr., life, liquidation and administration bureaus; Joseph F. Murphy, property, policy and the New York City complaint bureau; Raymond Harris, actuarial, cooperative fire and general office; Walter F. Brooks, qualifications, licensing, taxes and accounts and the Albany complaint bureau. Mr. Harris will also continue to serve as department counsel.

Cravens, Dargan Expands

Thomas V. Humphreys, Inc., is closing its northern California office and is turning over to Cravens, Dargan & Co. the handling of the business it formerly serviced. This change in no way affects the office of Thomas V. Humphreys, Inc., in southern California.

Seger Waterloo President

William F. Seger has been elected president of Waterloo (Ia.) Assn. of Insurance Agents. Richard Street was named vice-president; Dave Seger, secretary-treasurer.

Form New Surplus Line Firm

The surplus line brokerage firm of Haidinger-Hayes, Inc., with complete primary and reinsurance facilities at London Lloyds, has been formed at Los Angeles. It is composed of Vincent M. Haidinger and John M. Hayes, both prominent in the insurance business in California for a number of years. Mr. Haidinger has just resigned as assistant manager of the automobile and casualty department of Swett & Crawford at Los Angeles and Mr. Hayes as manager of the Lloyds department of the Victor Montgomery general agency. Mr. Haidinger started with Union In-

demnity in 1928, went with Emmet & Chandler in 1930, and for many years after 1933 was in charge of the operations of Newhouse & Sayre, now operating as Sayre & Toso. Mr. Hayes was associated with Mr. Haidinger at Newhouse & Sayre, at San Francisco and Los Angeles, commencing in 1939.

Ohio Leaders Praise Move of W.U.A. to Absorb W.A.B.

The directors of Ohio Assn. of Insurance Agents, meeting at Columbus early this week, adopted a resolution commending W. U. A. for the steps it has taken to effect a consolidation with Western Actuarial Bureau. Agency leaders feel that company-agent conferences will be more fruitful if the divided authority is removed.

Hawthorne, Cal., Inspected

LOS ANGELES—Southern California Fire Underwriters Assn. at a meeting Monday completed the plans for the inspection of Hawthorne, as a part of the observance of Fire Prevention week. Frank C. Colridge, secretary of Pacific Board, will speak at the banquet. Howard Swift of the Los Angeles of-

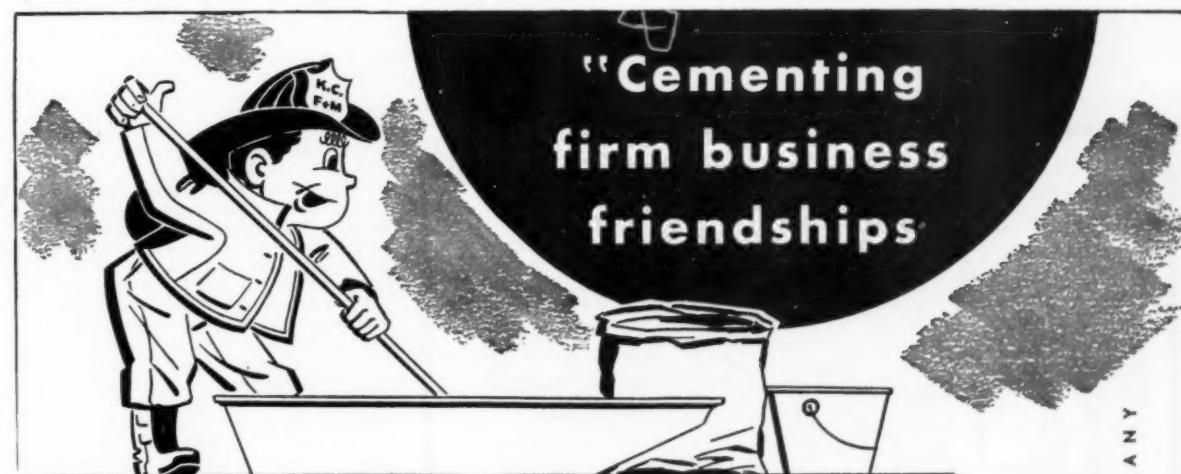


New officers of Stock Fire Insurance Field Club of Georgia, left to right: L. J. Saye, Home, president; Eugene C. Clarke, Jr., New Hampshire, vice-president; J. D. Ambrose, Northern Assurance, secretary, and Joseph R. Mangan, American, treasurer.

ce of the board spoke before the West Hollywood and Riverside Kiwanis Clubs on fire prevention.

Carl Small, Great American; secretary, Howard Worth, Fireman's Fund.

T. H. H. Thoreson, Grand Forks, has been appointed assistant attorney general of North Dakota and assigned to the insurance department.

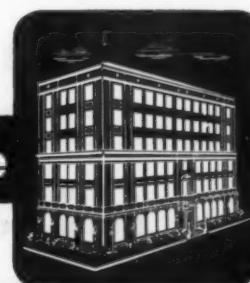


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C. N. Comegys, general manager of Oil Insurance Assn., and Ben M. Butler, general manager of Western Adjustment, at W.U.A. convention.

To Feature Auto Problems at Meeting of Wis. Agents at Milwaukee Nov. 12-14

MILWAUKEE — Because of the critical situation of the auto insurance business at present, annual meeting of Wisconsin Assn. of Insurance Agents here Nov. 12-14 will have "Insuring Your Automobile Business" as its theme.

The first afternoon, the directors and the membership, legislative, publicity-education, accident and fire prevention committees will meet. In the evening, Walter Schroeder, president of Chris. Schroeder & Son, and the Schroeder hotel system, will be host at a cocktail party for officers, directors, committeemen of local associations and invited guests, preceding a dinner and conference. Speaker at the conference will be E. H. Westwick, Chicago, field representative of Assn. of Casualty & Surety Companies, on "Highway Safety Programs for Insurance Agents Local Associations." He will demonstrate and instruct in the use of the new psychophysical driver testing equipment available to local agents and associations. A clinic on driver testing will be con-

ducted by Mr. Westwick during the convention with the assistance of the association's accident prevention committee.

The general convention session will get under way Thursday morning with President George Timm, Kenosha, presiding. Reports will be made by the officers and committee chairmen. Two proposed amendments to the bylaws and a discussion of several insurance bills which may be presented to the 1953 Wisconsin legislature will be brought up.

Westwick, Cosgrove to Speak

Speakers that afternoon will be Mr. Westwick on "How Can Insurance Agents Reduce Auto Rates?"; Bernard L. Garmire, chief of police of Eau Claire, "Why State Police?"; and John N. Cosgrove, secretary of American, "Practical Public Relations." Election of officers will conclude this session. An informal dinner, floor show and dancing party will be held Thursday night, when the new officers will be introduced. Prizes will be awarded to high school pupils who won fire prevention and safety contests, and the recipient of the W.A.I.A. insurance scholarship at University of Wisconsin will be introduced.

Friday's session will open with the color sound film, "Juvenile Traffic Attitude School," produced by the Arizona association and projected by Aetna Casualty. An automobile insurance panel will follow with these participants: Roy L. Davis, midwest manager Assn. of Casualty & Surety Companies, Chicago, speaking on "The Insurance Company's Position"; W. H. Brewster, manager of the automobile division National Bureau of Casualty Underwriters, "The Rating Bureau's Position"; Ray H. Kenady, local agent, South Bend, Ind., "The Agent's Position"; E. W. Kraus, manager Wisconsin automobile assigned risk plan, "The Assigned Risk Plan's Position," and Stuart H. Struck, research director Wisconsin motor vehicle department accident committee, "The Public's Position." The agents will participate in a question and answer period which will follow.

At the closing luncheon Friday, Commissioner Lange of Wisconsin will be the guest of honor. Walter M. Sheldon of W. A. Alexander & Co., Chicago, new president of N.A.I.A., will speak on "Insuring the American Agency System."

Los Angeles Insurance Assn. Observes 50th Anniversary

LOS ANGELES — Insurance Assn. of Los Angeles observed its 50th anniversary at a luncheon with more than 450 members and their friends in attendance.

In line with the organization period, the luncheon was a 35-cent one, with barbecued chicken the most costly item on the menu at 13 cents. Other items ranged from 1 to 3 cents and it was topped off with beer at 5 cents per glass. Past presidents and officers of the association arrived in automobiles of the vintages of 1906 to 1912 and were greeted by mustachioed singing waiters and a barber shop quartette.

Vice-president Muriel Bixby Clark, the first woman officer of the association, presented the living ex-presidents in a satirical fashion. In the order of their seniority they are: C. T. Mawaring, D. W. Pierce, Sr. (absent because of illness); Hugo M. Burgwald, Sr., I. O. Levy, Leo Clairmont, Eugene Battles, W. H. Menn (two terms and former president of N.A.I.A.), Vernon Bogy, Harry G. Johansing, Harry Perk, Jr., Harold W. McGee, William B. Glassick, D. W. Pierce, Jr., Robert J. White, Robert E. Battles (now California president), C. J. Turner, Van Joy and James E. Bennett.

President Dee Willcuts introduced Joseph Parrott, insurance buyer for Carnation Co., and an official of Insurance Buyers Assn., who gave a humorously satirical talk on "Insurance—It Ain't What It Used to Be."

The Los Angeles association is the second oldest local association affiliated with N.A.I.A.

Sons at Training Center

Hartford Fire's training center at the home office has 21 students from 13 states enrolled for four weeks' study of fire and inland marine insurance. The group includes several war veterans, one husband and wife team, and four who have joined or are about to join their fathers in the business. Agents' sons attending this session are: William A. Wilde, Jr., Winchester, Mass.; James L. Kreighbaum, Swineford, Pa.; Robert R. Mackey, Lawrence, N. Y., and Robert T. Frackenpohl of Newark.

Big Loss at Wichita

Fire Prevention Week at Wichita was ushered in Sunday with a loss that may reach \$250,000. Two floors of the Kroger grocery warehouse burned from an undetermined cause in a blaze that lasted five hours. The building loss, which is being handled by Western Adjustment, will run probably \$45,000 to \$50,000 on a value of \$75,000. The stock loss, insured in the mutuals, is thought to be in excess of \$150,000.

England Heads Council

Frederick J. England, president of Massachusetts Assn. of Insurance Agents, has been elected chairman of Massachusetts Insurance Producer Council. Walter S. Attridge, representing Boston Board of Fire Underwriters, is the new vice-chairman. Herbert L. McNary continues as secretary.

Inland Marine Claims Assn. at its Oct. 15 dinner at New York City will hear a discussion of diamonds by a representative of Harry Winston, Inc.



President F. Elmer Sammons of Hanover Fire, and Vice-president John Rygel of that company, at W.U.A. convention.

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Bankers F. & M. to Extend Humpless Payment Plan

The filing of Bankers F. & M. of Birmingham has been approved in Oklahoma, providing for annual payment of the term premium in the sum of 78% of the full one-year rate after the first year, without returning to the 100% rate when the second five-year period rolls around. On that occasion the company will charge 78% of the then current rate. President Sam M. Boykin of Bankers F. & M. said the plan is being used extensively. Also Bankers is contacting other commissioners to get their reaction on the plan, and if it is favorable Bankers will install it in other states as rapidly as possible. He said the plan reduces materially the home office expenses of handling as to underwriting and filing; it increases the volume of profitable business that the company has on its books, as well as increases the value of the local agent, as it gives him a much better chance to control his business without it being taken away from him by competition.

Springfield Names Special Agents in East and La.

Springfield F. & M. has appointed two additional special agents in the East. Charles E. Hall has been assigned to western New York to do valuation and rate work, with headquarters at Rochester. A graduate of University of Connecticut and Springfield's training school, he has had experience in rate and valuation work in the New York suburban area.

Charles E. Payne has been assigned to western Pennsylvania to handle inland marine business. He attended Clark University, was graduated from the company training school and has received advanced inland marine training at New York. His headquarters will be at Pittsburgh.

E. Dewey Black has been appointed special agent of Springfield in Louisiana. He succeeds Special Agent Parker A. Wiggins, who has taken an administrative position with Louisiana Rating & Fire Prevention Bureau. He has been serving as branch manager at Natchitoches for General Adjustment Bureau. He will make his headquarters at New Orleans.

Frivolity—With a Purpose

Cincinnati Fire Underwriters Assn. gave over its regular monthly meeting to frivolity, with a purpose. Selected by a committee from Cincinnati Assn. of Insurance Women were Louise Nichols as "Miss Flame of 1952" and Mary A. Teufen, "Miss Flame of 1952."

Miss Nichols and Miss Teufen, appropriately costumed, were transported to the meeting aboard fire apparatus of the era each represented via a parade route through the downtown district. Eulogizing the latter, an underwriter at American States, were George Guckenberger, III, and J. H. Gall, both of the local board. West Shell, A. W. Shell & Co., and T. T. Bryant, Walter P. Dolle & Co., voiced formal statements of praise for Miss Nichols, who is claims manager at H. Patrick Sweeney Co.

C.P.C.U.'s Hear Belgrano

The 10 successful C.P.C.U. candidates in northern California received their designations at a luncheon Oct. 8 at San Francisco. Frank N. Belgrano, Jr., president of First National Bank of Portland, Ore., and former president of Pacific National Fire, was speaker, his subject being "A Banker's Thoughts on Insurance in Our Economic System."

Frank B. Orr, Poulton & Orr, is president of the northern California C.P.C.U. chapter. The luncheon chair-

man was Andrew M. Price, Industrial Indemnity.

Conn. Agents Elect Clarke President

NEW HAVEN—Edgar H. Clarke of Manchester was elected president of Connecticut Assn. of Insurance Agents at the annual meeting here. More than 300 agents from all parts of the state attended the two-day convention. Mr. Clarke succeeds F. Chandler Moffat of Westport.

Other officers elected are: George Burgess Fisher, West Hartford, vice-president; Valmore Forcier, Danielson, secretary-treasurer; W. W. Hatheld, Bridgeport, state national director of the CAIA.

The North Cup, a trophy given for the local board having made the greatest achievement during the year, was awarded to Meriden Assn. of Insurance Agents. A fire fighting demonstration was given by the New Haven fire department at its city training grounds. Members were taken there by bus.

Fire Chief Hits Political Influence

Earlier agents heard a talk by New Haven fire chief, Paul P. Heinz. Hitting at "political influence in nearly all American communities" that permits use of buildings known to violate safety laws, the chief called on towns and cities to review their building codes and enforce safety rules strictly.

Victor W. Von Hagen, explorer, talking at the banquet, accused Americans of cultivating an ignorance of Latin America. He will leave soon on a two-year exploration of ancient Inca highways. He said that unless the United States works out an economic partnership with the rest of the western hemisphere, there will be continued unrest and opposition to us in Latin America.

Among other speakers at the sessions were Charles F. Kelley, state motor vehicles commissioner, and Edward T. Garvin, deputy insurance commissioner. Joseph A. Neumann of the executive committee of National Assn. of Insurance agents spoke and installed the new officers.

Honor Truscott's 40th Year

The officers of Camden Fire tendered a dinner to President Barry Truscott at Haddonfield, N. J., in celebration of Mr. Truscott's 40th anniversary with the company. Charles W. Makin, executive vice-president, was toastmaster and presented Mr. Truscott an appropriate gift on behalf of the officers.

Smith W. Va. 1752 Chief

West Virginia 1752 Club has elected Russell Smith, Granger Mutual, as the new president; Jerome N. Smith, National Mutual of D. C., vice-president, and Dwight Haddox, Inland Mutual, secretary-treasurer.



H. C. Conick, general attorney of Royal-Liverpool, and J. George Peterson, assistant western manager of Aetna Fire, at W.U.A. meeting.

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Oscar Gleiser, deputy U. S. manager of Commercial Union, and F. W. Doremus, manager of Eastern Underwriters Assn., between sessions at W.U.A. gathering at White Sulphur Springs.

Neb. Rally Under Way

Nebraska Assn. of Insurance Agents is meeting at Lincoln Friday and Saturday of this week. On Thursday there is being held a liability insurance school and a farm insurance school at the same place.

Speakers Friday include Hugh D. Combs, executive vice-president of U.S.F. & G. on "What Are We Doing About The Automobile Situation"; William J. Traynor, assistant secretary of North British & Mercantile, on "Profitable Agency Advertising"; Oscar Beling, superintendent of agency systems, Royal-Liverpool, on "More Profits From Your Files," and Robert T. Foote, executive special agent Hartford Fire, Chicago, on "Business Interruption Made Simple." There will be a fellowship hour and banquet that evening, and on Saturday many will attend the Kansas State-Nebraska game.

Instructor at the liability school is Dr. Curtis M. Elliott, insurance professor of University of Nebraska.

Speakers at the farm school are: A. R. Johnson, Hartford Fire, Chicago; Clarence E. Hedstrom, Hartford Fire, Omaha; Jack R. Roth, Home, Omaha;

Robert H. Miller, Springfield F. & M., Scottsbluff, Neb.; Robert E. Forrest, America Fore, Omaha, and Forrest Riddell, National Surety.

N. Y. Federation Expands

Insurance Federation of New York, is opening an office at 55 Liberty street, New York City in addition to its present office at Albany. The new office will be under E. Kenneth Lawrence, membership secretary, who joined the federation on September 1. Everette H. Hunt, secretary and counsel, continues to manage the Albany office.

Mr. Lawrence started with Marine Office of America, and later went with J. S. Frelinghysen Corp., insurance brokers. After engaging in war service he opened an agency at Amityville, N. Y. In 1948 he went with Connecticut General Life. More recently he was with F. J. Flynn Associates, insurance counselors.

Plan Ohio 1752 Clinics

Fall educational clinics of 1752 Club of Ohio will be held Nov. 12 at Dayton and Kent, and Nov. 13 at Findlay and Granville. Among subjects to be considered are the new safety financial responsibility law; undesirable risks and the assigned risk plan; householder protective floaters; the difference between extra expense insurance and business interruption insurance.

Jaecks Joins National Union

The National Union companies have appointed Charles H. Jaecks special agent at Washington, D. C. He will assist in supervising northern Virginia, District of Columbia and two counties in Maryland. He served in the air force and later graduated at University of Maryland. For the past few years he has been with local agencies at Washington and is now finishing his C.P.C.U. course.

Stroud Enters Life Field

R. M. Stroud, Cincinnati, has resigned as state agent of Fire Association to become affiliated with Great West Life. He joined Fire Association in 1938 at the home office, and after war service returned to the company as a special agent at Philadelphia. Subsequently he spent two years in the investment business, returning to Fire Association as state agent at Cincinnati.

Home Shifts Quick to N. Y.

W. Arthur Quick, staff adjuster for Home at St. Louis, has been transferred to the head office as an assistant general adjuster.

Mr. Quick joined Home in 1932 as a clerk in the loss department of the head office. In 1938 he was appointed an adjuster and transferred to Chicago. In 1938 he was transferred to St. Louis, as adjuster and in 1941 was promoted to staff adjuster there.

Opens St. Louis Office

Riverside Ins. Co. of America, whose head office is at Little Rock, is opening a service office at St. Louis. Charles Creek has been transferred to the head office in charge of St. Louis.

New St. Louis Insurer

Empire Casualty of St. Louis has been organized primarily to write automobile insurance. It has been authorized to issue 20,000 shares of \$10 par value stock.

U. A. Unit of N.A.I.C. to Meet

The uniform accounting subcommittee of National Assn. of Insurance Commissioners will meet in the state office building, Chicago, Oct. 20-21. The agenda includes functional distribution of commission and brokerage, other expense analyses, relationship between uniform accounting and rate making, and bases of allocation.



C. W. Hall, president of Northwestern Fire & Marine of Minneapolis, and Mrs. Hall, at W.U.A. convention.

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Redding Joins Audubon

Audubon of Louisiana has appointed Robert L. Redding as special agent. He was formerly with Parkerson Insurance Corp., general agents, Lafayette, La., as casualty underwriter and claims adjuster.

To Vote on Dues Increase

Members of National Assn. of Mutual Insurance Agents at the annual meeting at Philadelphia next week will vote on a proposal to increase dues from \$6 to \$8. Total membership is now 4,811, which is a gain of 825 for the year.

C. L. Morris, vice-president of Illinois National Casualty, has been named chairman of a citizens' committee that is working for passage of an amendment to the Illinois banking law to re-

move the double liability on owners of stock in Illinois state banks.

No Commission Decision by Insurers on Defense Plans

In the Sept. 18 issue, defense department officials were quoted as saying that insurers had agreed on a commission basis for certain defense department group rating plans. Actually, the companies have not taken part in commission negotiations, leaving those to the producers' organizations.

Hold Buckeye Union Rallies

The Buckeye Union companies of Columbus, O., have started a series of fall meetings as follows: Oct. 7, Cleveland; Oct. 8, Akron; Oct. 9, Canton; Oct. 20, Cincinnati; Oct. 21, Dayton; Oct. 28, Indianapolis; Nov. 5, Columbus. Subject for discussion is "Recent Developments in the Fire and Casualty Industry."

L. M. C. Is Billionaire

James S. Kemper, chairman of Lumbermen's Mutual Casualty, told directors and advisory board members at their semi-annual combined meeting, that on the eve of its 40th anniversary L.M.C. has recorded its billion-dollar dollar of premiums written since organization.

State Farm Dallas Rally

Some 400 agents and their wives from Texas, Oklahoma and Arkansas attended a two-day meeting of the State Farm companies at Dallas. There was a large head office delegation.

Butler Is Dallas Speaker

George B. Butler, chairman of the Texas board of commissioners, will be speaker at the Oct. 10 meeting of Texas A. & H. Claims & Underwriters Assn. at Dallas. Preceding the dinner, there will be a reception for Mr. Butler.

Conn. Dram Shop Award

A jury in the court of Superior Judge Cullinan at Hartford has awarded \$12,500 to Mrs. Madeline Roman, Glastonbury, Conn., for the death of her 16 year old son in 1948 in an automobile accident.

She brought the suit under an old Connecticut law which provides that anyone who serves liquor to an intoxicated person is liable for the personal injuries that person may cause as a result of the intoxication. The suit was against Santiago Rocchi and George Laneri of Buck's Corner restaurant in Glastonbury who, Mrs. Roman charged, served drinks to Alfred G. Perry of East Hartford before Perry's car struck her son and killed him.

Ohio Mutual Agents Set '53 Date

Ohio Assn. of Mutual Insurance Agents will hold its 1953 annual meeting April 23-24 at Columbus.



Hayes McKinney of Chicago head of general counsel firm for Western Underwriters Assn., and Mrs. McKinney at W.U.A. convention.

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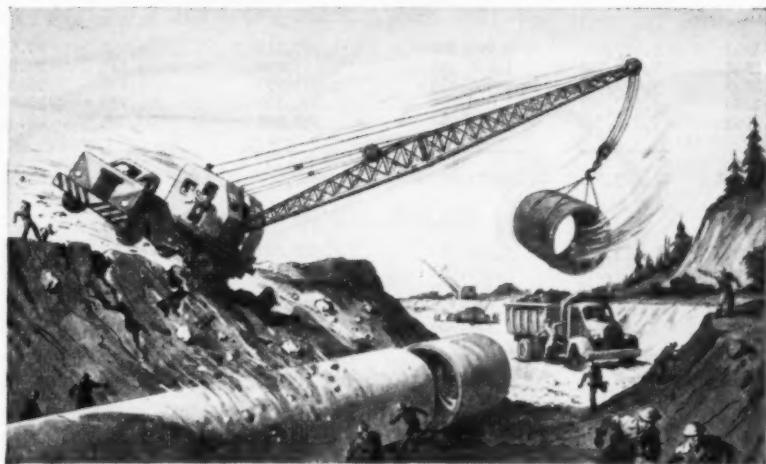
A brand new set of tables containing pre-calculated premiums at annual rates of $\frac{1}{2}$ ¢ thru \$5.00 showing 1, 3, and 5 year premiums for fire insurance policies. On heavy enamel finished paper $7\frac{1}{2}$ x 11 inches with plastic binding which allows flat opening at any page—thumb-indexed so you can flip to any page in an instant and read the premium. Send check or money order \$5.00 postpaid.

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Cliff C. Jones, chairman of Kansas City Fire & Marine, and Mrs. Jones at White Sulphur Springs convention.

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FIELD

Pacific National Names
Ehrlich Ill. State Agent

Pacific National Fire has named
Oscar N. Ehrlich state agent for Illinois
with headquarters at Chicago for the
time being.

Mr. Ehrlich was formerly state agent
for Illinois for Kansas City F. & M.
He had been with that company since
1950. Before that he was for eight years
a fire protection engineer for the Na-
tional Inspection Co. He was also special
agent for Cook county for the Torpe
general insurance agency, Chicago.

Montana Field Men Elect
W. H. Pratt New President

W. H. Pratt, Royal-Liverpool, was
elected president of Montana Fire Un-
derwriters Assn, at the annual meeting
at West Yellowstone. Charles McCormick,
Crum & Forster, is vice-president
and Ellis Marshall, Sogard general
agency, is secretary-treasurer. R. S.
Aitkin, Home, is chairman of the public
relations committee.

John Henry Martin, manager of
Standard Forms Bureau of San Fran-
cisco, and Warren Fink of Underwriters
Salvage Co., were guests at the meeting.

Phoenix Names Hilton

Richard T. Hilton has been appointed
as special agent of Phoenix-Connie-
for Cuyahoga county with headquar-
ters at Cleveland. He attended Western
Reserve University, served in the navy
and has had insurance experience at
Chicago and Cleveland.

R. B. Anderson to Retire

R. Bruce Anderson, special agent at
Seattle for the National Fire, will re-
tire Nov. 1.

Mr. Anderson joined National in 1925
and has served the organization as a
field man in Washington, Idaho, and
Montana.

Duncan with Home in Okla.

Home has appointed E. H. Duncan
as special agent in Oklahoma with head-
quarters at Oklahoma City, where he
will operate under the supervision of
I. M. Hughes, manager. Mr. Duncan
has had considerable insurance experi-
ence and in addition served six years
in the navy during the war.

Hear Talk on Narcotics

Cook County Fire Underwriters Assn
at the Oct. 6 meeting at the Midland
hotel heard a talk by Officer McDermott
of the Chicago police narcotics division,
who discussed the use of narcotics by
teen-agers. E. F. Snediker, Home, the
association president, conducted the
meeting.

Ahlswede Back in Harness

Charles H. Ahlswede has returned
from military service and rejoined
Phoenix of Hartford, his assignment be-
ing special agent in the Kentucky field
assisting R. J. Martin, state agent, with
headquarters at Louisville. Mr. Ahls-
wede was with Phoenix in other ter-
ritories before being recalled to military
service.

Zollinger Named at Stockton

Royal - Liverpool group has named
Clayton T. Zollinger as special agent in
the Stockton, Cal., territory. C. E. Ell-
brand, who has been in the underwriting
department at Sacramento, has been
transferred to Stockton, replacing Mr.
Zollinger as underwriter there.

"Miss Fireball" Honored

"Miss Fireball," Wichita Fire Pre-
vention Week "queen" chosen in a
Junior Chamber of Commerce contest
among single red headed girls of the

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city, was guest of the Sunflower Blue Goose puddle at its luncheon Oct. 6 and gave her winning fire prevention speech. She is Miss Lois Ann McClure, a senior at East high school there.

114 Field Men Take Part in Saginaw Inspection

Michigan Fire Prevention Assn. last week at Saginaw conducted the largest town inspection from the standpoint of participation ever made in the midwestern states. There were 114 field men attending the three-day inspection. Saginaw has a population of 92,000.

The group inspected 577 risks, while 47 schools, 87 churches and city hospitals were handled by Michigan Inspection Bureau. Talks were given by the field men to 11,000 school children and at a luncheon attended by the civic groups of Saginaw, Richard E. Vernor, fire prevention manager of Western Actuarial Bureau, made the address. E. C. Saulcy, Great American, was general chairman of arrangements.

Slate Vernor in Ind.

Richard E. Vernor, fire prevention department manager of Western Actuarial Bureau, will speak at the Oct. 20 meeting of Indiana Fire Prevention Assn. He will give a brief talk on the meaning and operation of the National Inter-Chamber of Commerce fire waste contest, in addition to other highlights of fire prevention work.

Percival Joins N. H. in Kan.

Donald R. Percival of Topeka has been named special agent in Kansas for New Hampshire, associated with State Agent George E. Erickson. For 4½ years he has been with Kansas Inspection Bureau at Topeka.

Adds to Mo. Field Staff

Great American has appointed L. P. Cellitti and Paul P. Martin as special agents in Missouri, with headquarters in the Waldheim building, Kansas City.

Mr. Cellitti is a war veteran and a graduate of Loyola University, Chicago. He joined Great American in 1948 as farm examiner. Since then he has received training in various departments, his most recent assignment being that of superintendent of the farm note collection department.

Mr. Martin attended Illinois Institute of Technology and is a veteran of the last war. He was employed by Great American in 1948 and has been examiner in Missouri department.

The Wichita Blue Goose auxiliary of the Sunflower puddle resumed its monthly luncheon meetings at the home of Mrs. Nick Kleber, wife of the Phoenix of Hartford state agent.

CHICAGO

DISTAFF GROUP TO MEET OCT. 16

Insurance Distaff Executives Assn. of Chicago will hold its first fall meeting at the Palmer House Oct. 16. It will be a business session only with no guest speaker.

BOYLE APPOINTS CLARK

Boyle, Flagg & Seaman, Chicago agency has appointed John T. Clark automobile underwriter. Mr. Clark was formerly a fire adjuster with Underwriters Adjusting there. He entered insurance with that company in 1948. His father is H. A. Clark, vice-president and western manager of Firemen's of Newark.

FORM LOCAL ENGINEERS GROUP

Chicago area members of Society of Fire Protection Engineers are organizing a Chicago chapter, a temporary group having been set up until a charter is secured from the National association. About 65 members were present

at the initial meeting, including Ray Bond, chief engineer of National Fire Protection Assn., from Boston.

The organization, at least until a charter is granted, will be called Chicago Conference of Fire Protection Engineers. J. T. W. Babcock, Factory Association, was appointed temporary chairman, and Edwin N. Searl, Western Actuarial Bureau, temporary secretary. The group will hold another meeting Oct. 31 at the Engineers Club.

NEW YORK

DESCRIBES N. Y. AUTO RATE PLAN

William F. Nolan, assistant manager of the automobile division of National Bureau of Casualty Underwriters, gave Brooklyn Insurance Brokers Assn. a description of the workings of the New York preferred risk rating plan at the Oct. 2 meeting.

CONICK TO ADDRESS C.P.C.U.

H. C. Conick, general attorney for Royal-Liverpool group, will address the all-industry and conference luncheon of New York and Connecticut chapters of C.P.C.U. Oct. 14 at the Hotel Baltimore, New York. The title of Mr. Conick's address is "Insurance Education and Its Present-day Significance."

Insurance Women of New York held a buffet dinner at Continental's building. Miss Sylvia Ward, member of the League of Women Voters, talked on "Why Vote."

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago

Oct. 9, 1952

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Aetna Casualty	91 1/2	93 1/2
Aetna Fire	56	57 1/2
Aetna Life	93	95
American Alliance	1.50*	33 1/4	34 1/4
American Equitable	1.50	28	29 1/2
American Auto	2.00	47	49
American (N. J.)	1.00	26 1/4	27 1/4
American Surety	3.00	51 1/2	53 1/2
Boston	2.60*	69	72
Camden Fire	1.00	23	24
Continental Casualty	2.50*	81 1/2	83 1/2
Crum & Forster Com.	2.00	40 1/2	42
Fire Association	2.60	66	67 1/2
Fireman's Fund	1.60	55 1/2	57 1/2
Firemen's (N. J.)	.80	26	27 1/2
General Reinsurance	1.60	36 1/2	38
Globe & Republic	2.00	60 1/2	62
Globe & Republ.	.80	15 1/4	16 1/4
Great American Fire	1.50*	36	37 1/2
Hartford Fire	3.00*	148	150
Hanover Fire	1.60	38	39 1/2
Home (N. Y.)	1.80	38 1/2	39 1/2
Ins. Co. of North Am.	2.50*	80 1/2	82 1/2
Maryland Casualty	1.20	24 1/4	25 1/4
Mass. Bonding	21	22
National Casualty	1.50*	28	Bid
National Fire	2.50*	70	72
National Union	1.80	39	40 1/2
New Amsterdam Cas.	1.50	38 1/2	40
New Hampshire	2.00	45	46 1/2
North River	1.20	28 1/4	29 1/4
Ohio Casualty	1.20	65	68
Phoenix, Conn.	3.00*	102	104
Prov. Wash.	1.50*	29 1/2	31
St. Paul F. & M.	.80	34	35 1/2
Security, Conn.	1.60	38 1/2	40
Springfield, F. & M.	2.00	51	53
Standard Accident	1.60	36 1/2	38 1/4
Travelers	14.00*	656	666
U. S. F. & G.	2.00	55	56 1/2
U. S. Fire	1.40	43 1/2	45

*Includes extras.

Picture Error Corrected

Identification lines for pictures appearing on pages 6 and 19 in last week's issue were inadvertently transposed, the mistake making it appear that Walter Dithmer, assistant manager of W.U.A., was Mrs. Hugo LaRue. Herewith are reproduced the pictures with the identifications in their proper places.



Kent Parker, assistant manager of Western Actuarial Bureau, Chicago, and Walter Dithmer, assistant manager of W.U.A., are displaying a Mr. Policeman necktie in honor of the W.U.A. movie of that title at the White Sulphur Springs convention.



Hugo LaRue, secretary of America Fore, and Mrs. LaRue at the White Sulphur Springs convention of W.U.A.

Mass. Buyers Changes

C. B. Myatt of Negea Service Corp., Cambridge, has been elected secretary of Massachusetts Insurance Buyers Assn. to replace Bion H. Francis, who recently joined Olin Industries at New Haven. Arthur A. Holt, United-Carr Fastener Corp., Cambridge, succeeds Mr. Francis on the board.

The ABC of why the insurance agent is a good man to know is—he sells Service, Safety, Security!



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EDITORIAL COMMENT

Commission Instability Troublesome

Commissions have become a troublesome problem to the business, particularly in the east, and especially in New York City suburban. It is now reported that brokerage on New York City business that traditionally has been 15% has gone to 20%. The agency commission in New York City suburban has now pretty generally all gone from 20 to 25%. There have been increases elsewhere as companies sought to protect their position. There is a rumor on the street in New York that one of the large companies will file a fire rate deviation for New York City suburban.

Executives are concerned about the matter, and there is much casting about for a solution. Insurance departments are watching developments closely, and agents themselves have taken occasion to point out that rate reductions are bound to come, partly as a result of these developments. Certainly an unstable situation exists. A group of executives has undertaken an exhaustive study of the commission problem and has expressed its interest in working with a group of representative agents to have the benefit of what studies the agents have made of the problem.

Other manifestations of the disturbance include a nasty attack on commissions in connection with automobile insurance and loss experience from a non-disclosed source. In Idaho, a well known casualty company is reported to have made an arbitrary reduction in workmen's compensation commissions without prior consultation with agents. In Texas a premium and commission discount plan by size of risk has been introduced on automobile bodily injury and property damage policies. Insurers have reduced commissions with individual agents, occasionally have cut them out altogether, on bad classes or bad risks.

At Cleveland, the agents' committee on commissions in its report to the executive committee suggested that each state association create and maintain an authority for prior consultation on commissions, either by creating such a committee or by granting the authority to an existing committee. The important thing, the Cleveland report emphasized, is for the agents to be ready at state and national levels with agency costs and other facts that bear on the commission portion of the premium dollar. The agents seem anxious to secure prior consultation on commissions in a territory affected before there is a revision of commission schedules.

The oddity in the present situation

is that commissions are tending to go both ways, that is, both up and down—up on the fire side and down on the casualty.

Perhaps the outstanding difficulty in bringing the commission levels into stabilization is that no group extant can speak with authority and bind its members, company or agency, even assuming that the majority in any organization wanted to take such action. The agents have been particularly sensitive about relinquishing any individual rights of private contract with their companies. There is a substantial body of agents in the National Assn. of Insurance Agents that does not want N.A.I.A., even to talk about commissions. On the company side the difficulties are probably just as real if not so well advertised.

There is no chance of going back to the days of acquisition cost conference in the casualty field without legislation, and this is impossible without relinquishing some rights, whatever they may be.

It may be possible for agents and companies to share their factual study information, but it is hard to see the possibility of any agency group being authorized to consult with companies before there is any revision of commissions. Incidentally, in talking about prior consultation, it is assumed that agents are thinking of it in connection with revisions upward as well as downward.

The conjunction of both upward and downward pressures at one time makes it easy to see that if fire rates now tend to go down and companies become squeezed, the higher commission rates might continue to prevail but the market presumably would become more selective, as it has increasingly done in casualty.

This is a fractious problem which will call for the utmost effort and leadership in the business. At the moment, no solution seems to be in sight; nor does it seem possible for either companies or agents, or companies and agents, to reach a satisfactory solution. Perhaps in the end it will be the public that will solve it, though even here on a price issue there is seldom a clear and certainly no quick decision, possible.

However, the matter seems to fall in the area of management and it is to be hoped that the major elements in the business, all of them, can reach a solution, with what is good for the public used as the constant standard for reference.

PERSONALS

Departmental coworkers of John E. Butterick, former administrative assistant to Commissioner Navarre of Michigan, honored him at a farewell luncheon at which he was presented a gift. Mr. Butterick has become assistant to W. O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents.

Fred L. Winter, former president of Michigan Assn. of Insurance Agents and still active in the agency field at Muskegon, was honored by the Kiwanis Club there in recognition of his 35 years of membership in that organization. Mr. Winter is a charter member of the club and oldest in point of membership. He is a former district lieutenant governor of the club.

G. E. Moreau, who retired in June as manager of St. Paul F. & M. at Chicago, is moving from Evanston, Ill., to Lexington, Ky., where he has purchased a home at 1469 Lakewood Drive.

Olaf Nordeng, vice-president of Automobile, who is a consistent attendant at W.U.A. meetings, dropped a stitch last week as a Pacific Coast trip kept him away from the White Sulphur gathering. Automobile's man was Secretary H. N. Smith, whose last W.U.A. convention was in 1921.

Joseph Murphy, legal assistant to Howard Starling, Washington representative of Association of Casualty & Surety Companies, is lecturing on insurance law in a C.P.C.U. course at George Washington University.

W. A. Seely, western manager of Crum & Forster, has been out in pursuit of antelope, his takeoff being from the ranch of his daughter and son-in-law at Sheridan, Wyo.

At the Insurance Executives Assn. convention at White Sulphur Springs, Chairman John R. Cooney created much merriment by calling forward at the first session two members that were clad in sport garments that Mr. Cooney said could not escape official notice. Those so honored as the I.E.A. best dressed were H. C. Conick, general attorney of Royal-Liverpool, and William Rattelman, president of National Union. The next morning John A. North, president of Phoenix of Hartford, wandered innocently into the meeting room with an outfit that obviously classed him with Messrs. Rattelman and Conick and so with a chorus of admiring whistles Mr. North went forward to receive sartorial recognition from the discriminating hand of Mr. Cooney.

Herbert Brooks of East Orange has just completed 35 years in the insurance business in New Jersey. He started with Compensation Rating & Inspection Bureau of New Jersey in 1917 and later joined Globe Indemnity. He was at one time with the Joseph M. Byrne agency and later with the Jamieson agency. He has been in business for himself for many years.

He is a past president of New Jersey Assn. of Insurance Agents and has been prominently identified with the casualty activities of the N.A.I.A.

Judge Albert Conway of New York court of appeals, former insurance superintendent of that state, will be toastmaster at the annual dinner of General Insurance Brokers Assn. of New York, Oct. 29.

Editor: Kenneth O. Force.
Associate Editors: John C. Burridge, Charles C. Clarke and F. A. Post.
Assistant Editors: Ellsworth A. Cordesman and Donald F. Johnson.

Executive Editor: Levering Cartwright.
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SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

DEATHS

J. L. ALBERT MALO, manager for Home in Quebec province, died at Montreal after an extended illness. He was 67 years old. He had been on leave of absence from Home since 1949. He was with the company 31 years.

WILLIAM J. CUNNINGHAM, 39, of the Portland, Ore., agency of Cole, Clark & Cunningham, died in a Portland hospital after suffering a cerebral hemorrhage.

DANIEL H. COLLINSON, retired adjuster for North British & Mercantile at New York, died at his New Monmouth, N. J., home.

HUGH D. FOWLEY, 56, exporter and marine agent of New York, died at Barbados, B. W. I., while on a business trip. He founded General Inspection Co. in 1936. It was successful in loss prevention efforts in the intercoastal lumber trade and is engaged in cargo supervising and adjusting.

AUBREY DeV. PORTER, 75, died at Indianapolis. He was injured when he fell down a flight of stairs at the Colonial Hotel where he lived. He never regained consciousness. He was in the insurance business about 20 years and helped form the Price, Porter & Price agency, of which he was vice-president, about three years ago.

HARRY F. DUDLEY, 45, vice-president of Neale Phypers Co. at Toledo, died there. He was state agent at Cleveland for Maryland Casualty before going to Toledo. He joined Neale Phypers in 1948.

LEON M. DuBOIS, 32, treasurer of Associated Insurers of St. Louis, died of a brain tumor at St. John's Hospital. He was one of the originators of the St. Louis C.P.C.U. chapter.

PAUL S. CORNELL, 50, manager of the Ellicott Square office at Buffalo of Jamestown Mutual since 1948, died in a Buffalo hospital. He also was a practicing attorney.

ROBERT J. CHALMERS, 61, secretary and vice-president of Lumbermen's Mutual of Philadelphia, died at Jefferson hospital there. He had started with Lumbermen's as an office boy 46 years ago.

HAROLD W. VAUGHN, 59, a director of Public Service Ins. Co., and secretary of Wayne National Underwriters, died at Fort Wayne, Ind.

R. J. HOLSTEIN, 64, retired Michigan general agent of Granite State, died at Grand Rapids. Mr. Holstein's first association with Granite State was through the James A. Jones agency of Grand Rapids, which at that time represented Granite State as general agent for Wisconsin, Michigan and Ohio. He joined the general agency in 1914, having had previous experience with the Bierce & Sage general agency.

In 1932, Mr. Holstein terminated his connection with the Jones general agency and was appointed general agent in Michigan for Granite State. He remained in that capacity until Jan. 1, 1950, when he withdrew from active management of the company's affairs in Michigan, but he did remain associated with the company in an advisory capacity.

HOWARD L. RUTHERFORD, former local agent at Great Falls, Mont., later special agent for Home, then for eight years state agent of Great American, was killed in an automobile accident near Shelby, Mont. His age was 40. He

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had been since 1949 business L. F. R.

MRS. Temme, agent of loyal good at St. Paul.

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White Truscott F. A. Glens E. S. of Har

XUM

had been an automobile dealer at Shelby since 1948. He started in the insurance business with the agency of his father, L. F. Rutherford, at Great Falls.

MRS. EMILY TEMME, wife of Carl B. Temme, retired southern Illinois state agent of St. Paul F. & M. and a past most loyal gander of Illinois Blue Goose, died at St. Paul.

ELSWORTH B. PARK, local agent at Chanute, Kan., for nearly 25 years and secretary of Chanute Building & Loan Assn., died there following a year of failing health.

G. J. SLICKMAN, veteran Oran, Mo., local agent died in a Kansas City hospital. The building that housed his agency was destroyed by a fire with an estimated loss in excess of \$100,000.

EDWARD C. FOOTE, 61, St. Louis broker for 35 years and a former president of the brokers association there, died of complications that followed an abdominal operation last May.

MRS. HENRY GUTHUNZ, wife of the president of Anchor Casualty of St. Paul, died there.

MRS. LOUISE J. DIECKMAN, 52, wife of Harry A. Dieckman of the local agency of Brown & Dieckman at Waterloo, Ia., died at her home Monday. Mr. and Mrs. Dieckman were married at Park Rapids, Minn., and in 1932 moved to Ottumwa, Ia., where Mr. Dieckman was in the insurance business. They moved to Waterloo in 1936.

THOMAS L. GILLIKIN, 59, local agent at Goldsboro, N. C., died there.

C. F. BARROWS, 78, retired local agent of Yakima, Wash., died following a long illness.

RAY C. JOHNSON, 70, former local agent of Jamestown, N. Y., died after a long illness. He retired in 1947 after 36 years in the insurance business. He was in partnership for many years with his father, the late W. Russell Johnson.

ETHAN A. HOWELL, local agent at Billings, Mont., died by his own hand at the age of 70.

WILLIAM H. BECHER, 84, for 55 years a local agent at LaPorte, Ind., before his retirement two years ago, died at his home following a year's illness.

EDWARD N. DUNKER, 46, local agent at Wauwatosa, Wis., died at his home



Camera studies at W.U.A. convention at White Sulphur Springs: Above — Barry Truscott, president of Camden Fire, and F. A. Roberts, executive vice-president of Glens Falls. Below — S. G. Behlmer and E. S. Purcell, assistant western managers of Hartford Fire.

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Incorrect Application Is Often to Blame in A. & H. Complaints, Murphy Says

Nine out of ten A. & H. policyholders who claim they have been gyped, have actually gyped themselves out of benefits by having made false statements when applying for the policy or in having withheld the full facts in connection with health history, Commissioner William R. Murphy of Delaware declared in a statement on A. & H. complaints.

Noting that an unusual number of complaints have been brought to the department's attention involving hospitalization and similar coverages, Mr. Murphy said:

"The department has reached the conclusion that much of this could be avoided if there were a better understanding on the part of the insured and prospective purchasers of this type of insurance."

When a claim has been rejected, the insured invariably points his finger at the company, but Mr. Murphy cautioned that "every person should endeavor to realize that when he signs an application for insurance, he is just as responsible for the honesty of his statements as an insurance company is in living up to the policy contract."

New Ill. Insurer Aims to Get Started Early in 1953

The organizers of Cornbelt Ins. Co., the head office of which will probably be at Champaign, Ill., have now sold about 75,000 shares of the \$1 par value stock. This is being sold at \$2 a share and the company will be put in operation when 200,000 shares have been marketed. There is an especial effort being made to get local agents interested in subscribing and 53 have so far made commitments. The aim is to get started early in 1953.

A. W. Swaim, who will be the executive vice-president and general manager, was chief engineer in the western department of Crum & Foster, and was with that company seven years. He had been in war service three years and before that was with the Employers Mutuals of Wausau, Wis., both in the home office and field. He started with Missouri Audit Bureau in 1928 and was with Missouri Inspection Bureau 11 years.

Frank T. Johnson of Champaign will be the president. He was the originator of the idea of this company. He was one of the organizers of All-American Casualty of Chicago, which was recently put in operation after selling 2 million shares of \$1 par value stock. Lyle W. Church, cashier of First National Bank of Marissa, Ill., and of the Church & Hamilton agency there, will be vice president and treasurer. Wyatt A. Lindsey, an attorney of Urbana, will be secretary; E. Grant Mathis, city attorney of Rantoul, will be vice-president and general counsel, and Herbert R. Shuff, local agent of Champaign, will be assistant treasurer.

The success of M. A. Kern in selling the 2 million shares in a new company is apparently having quite an influence. Besides Cornbelt there is presently in process of organization an A. & H. and life company known as Municipal Ins. Co. of Chicago, and shares are being sold in this at \$2, the par value likewise being \$1.

Under Illinois law the maximum organization expense allowed is 15% of the subscription price or 30 cents on a \$2 share.

Open New Foreign Offices

North America has opened branch service offices in Adelaide, Australia, and Cape Town, South Africa. The company has been licensed in Colombia, South America.

Henry H. Langdon is manager at Adelaide; Douglas E. Willmense is manager at Cape Town, and Colombia operations are under the direction of Miguel Planas, general agent.



the First Mechanical Clock

YEARS BEFORE recorded history, men gauged time by a Sundial, Hourglass or Clepsydra. Boethius, in the 6th Century, invented a wheel-clock. Pacificus, archdeacon of Verona, introduced a weight-driven clock in the 9th Century . . .

BUT PROBABLY the earliest accurate answer to the question, "What's the time?" was about 996, when an Italian, Gerbert, later Pope Sylvester II, produced the first mechanical clock.



Time is important to your assureds. After disaster has struck, it is too late to ask, "Am I covered?" . . . Your assureds can feel secure with the complete comprehensive coverages offered by the Saint Paul Companies.



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O. K. Oconomowoc Survey

Following a conference between the city council and representatives of Oconomowoc (Wis.) Assn. of Insurance Agents on municipal property coverage, the agents were authorized to make a free survey of needs and present insurance. They have proposed that the council transfer the present state fund coverage to private companies. The agents will have the help of a group of field

men and engineers in making the survey. Urban Krier, Milwaukee, executive secretary of the Wisconsin association, presented arguments against state fund insurance and for private coverage.

Sauter Joins R. M. Hill

R. M. Sauter has joined the Detroit adjusting firm of Robert M. Hill Co. as manager of its marine department. He has had many years experience in the marine business.

WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

DIRECTOR OF AGENCIES

For small, but growing casualty company, location New England. Want man experienced in appointment of agencies and relationships with them; appointment, training, supervision of special agents. Unusual opportunity for individual who can show results. Please write in confidence, giving complete details of your education and experience to Box N-37, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

RESERVES ASSESSOR

Opportunity for junior executive-level position for man with actual field experience as adjuster of compensation claims and home office experience as examiner or reviewer. Should have strong academic background in mathematics, statistics, or business administration; administrative talents. Individual selected will be trained to head up unit. Salary commensurate with experience. All negotiations confidential. Write Box N-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Old established local agency needs physical damage carrier due to increased volume. We have no finance connections whatever. P. O. Box 433, Dayton, Ohio.

SPECIAL AGENT

Casualty and Fire Special Agent to travel State of New Mexico with headquarters in Albuquerque—"Health Center of the West"—representing the largest General Agency in the state. Territory well established. No long periods away from home. Furnish car or pay mileage on yours. Salary based on your ability and experience. Write Homer D. Bray, c/o Pacific Service Company, P. O. Box 683, Albuquerque, New Mexico.

SOUTHWEST OPPORTUNITY ALBUQUERQUE

New Mexico independent adjustment office has opening for experienced adjuster, principally casualty lines. State experience and qualifications. Address P. O. Box 413, Albuquerque, New Mexico.

SPECIAL AGENT WANTED

LARGE INDEPENDENT MULTIPLE LINE COMPANY DESIRES SPECIAL AGENT FOR WISCONSIN. WILL WORK OUT OF FOND DU LAC. GIVE FULL DETAILS. ADDRESS N-53, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ADJUSTERS AND CLAIMS EXAMINERS

Expanding large insurance company has immediate openings in Southeast for experienced claims examiners and adjusters. All replies confidential. Address N-54, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WILL BUY

General insurance agency in Indianapolis. Cash for your expirations. Replies confidential. Address N-55, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Experienced Surety Underwriter to take charge of Pacific Coast Fidelity & Surety Department of well established, multiple line company. Splendid opportunity for right man. Salary open but must have experience and be under 50 years of age. All replies will be kept confidential. Address N-57, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SURETY OPPORTUNITY IN CALIFORNIA

A Casualty and Surety Company with substantial operations throughout the country is looking for men to expand its staff on the Pacific Coast. Knowledge of the Pacific Coast conditions is not required, but the men must be thoroughly experienced in underwriting or producing bonds. Your inquiry will be held strictly confidential. Address to N-60, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED: FIRE UNDERWRITER

Experienced with supervisory ability to take full charge of fire underwriting division in home office of progressive Southern multiple-lines insurance company. Excellent future. Salary open. Address N-43, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

EXPERIENCED INVESTIGATOR-AUDITOR AVAILABLE

15 years public and 5 years Government experience, as special agent-auditor in compliance and investigation branch, Government University. Presently desire to leave Government service. Local resident of Miami, Fla., Age 41, will represent companies in Florida. Will arrange interviews in Atlanta. Write Box 123, The National Underwriter, 432 Hurt Bldg., Atlanta 3, Ga.

Aggressive Agency desires General Agency Contract with limited claims authority. 11655 E. Exline St., El Monte, Southern California.

WANTED

Special Agent in Michigan. Midwestern multiple line writing company expanding operations. Write details of experience, agency following and salary desired. Address N-56, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

BOND MANAGER AVAILABLE

Presently employed and prefers midwest location. Desires change to progressive company or agency. Varied experience including 3 "D's"—middle forties—25 years experience with companies and agency. Excellent references available. Address N-59, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE CASUALTY CLAIM EXECUTIVE

Age 44, 25 years successful record in field, branch and home office. Can organize and maintain efficient claim department. Also experienced in underwriting, production and personnel. Address N-61, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Twelve Continental Casualty Men Are Given Higher Posts

Continental Casualty has announced 12 promotions. W. J. Mulder is now in charge of production of retrospective risks. He started with Continental 11 years ago and has been manager of casualty special risks for eight years. Richard Ismond has been elected assistant secretary. With Continental since 1941, he founded and still heads the casualty legal department, developing it in a decade from a one-man unit to an important adjunct to all miscellaneous casualty operations.

E. L. Boyden, assistant secretary, has been transferred from New York to the home office, in charge of underwriting research. He started with Continental at home office in 1917 and for 30 years has been in charge of liability underwriting in the eastern department. Howard Grauf is promoted to manager of the New York liability underwriting department, to succeed Mr. Boyden. He joined Continental in 1939 at New York and has since been in the liability underwriting department there, except for military service.

Three Named Department Heads

W. E. Seiler, 26-year veteran of the burglary division, becomes manager of the burglary-plate glass department; E. M. Coyle, with Continental since 1942 and assistant manager of compensation and liability underwriting since 1944, becomes manager of the workmen's compensation department, and James M. Peterson has been named manager of the inland marine department, which he joined as an underwriter three years ago.

Three casualty special risks staff members have been named to manage separate departments, Herman Rubin becoming manager of retrospective accounting, Willis R. Barnes manager of retrospective rating, and W. R. Arvid-

son manager of the liability reinsurance department. Mr. Rubin joined Continental 30 years ago and has worked in almost every major miscellaneous casualty division. Mr. Barnes began his Continental career in Texas 16 years ago and has been at the home office since 1947. Mr. Arvidson started in the home office in 1949 as a reinsurance clerk.

The company also has established a new department to write and service auto and general liability business. Robert B. Johnson, who started 15 years ago as a mailboy, is manager of the new department. Norm Wiche, underwriter in the automobile department since 1948, has been promoted to assistant manager of auto underwriting and will assist Mr. Johnson in the new auto and general liability department.

N. C. Rural F. P. Conference

RALEIGH, N. C.—Commissioner Cheek has scheduled a statewide conference on rural fire protection for Salisbury Oct. 17. It will center on model organization of volunteer companies, training of firemen, insurance rates and liability and will also explore the question of whether additional legislation is needed to encourage the development of rural fire departments.

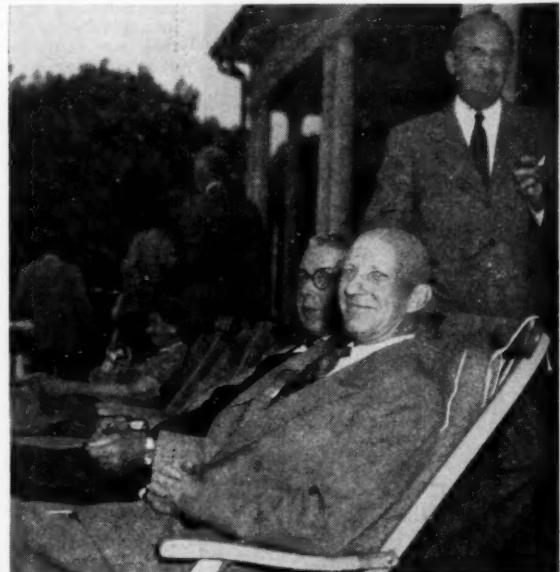
Fire departments, county commissioners and North Carolina Fire Insurance Rating Bureau will be represented.

New Portland, Ore., Officers

Portland (Ore.) Assn. of Insurance Agents trustees have selected William Johnson of Jewett, Barton, Leavy & Kern as president. He succeeds Henry C. C. Stevens. Walter Davol of Wells-Reed agency was elected vice-president; James Bayless, Dooly & Co., treasurer, and Ted Kaser, Marsh & McLennan, secretary.

Confer on Fla. Agents Law

Commissioner Larson, Florida, held a meeting at Tampa Monday of this week with agents and company representatives to discuss a revision of the agents' qualification law.



At the W. U. A. convention; in foreground, C. W. Hall, president of Northwestern Fire & Marine; G. W. Owens, secretary, and H. C. Davis, vice-president of New York Underwriters.

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Sees Opportunity in Giant Size Problems of Today

Casualty Business Founded on Rising Acci- dents, Jackson Says

WHITE SULPHUR SPRINGS, W. VA.—Comfort and stimulation were drawn from a combination of casualty insurance history and prognostication by Harold P. Jackson, president of Bankers Indemnity, in his presidential address before National Assn. of Casualty & Surety Executive here. The business has always faced increasing accidents—that is the foundation on which it is built; the threat of federal regulation is an old one, and the need of correcting public misconceptions of the business has long stood as a not wholly answered challenge.

Shortly before the turn of the century, when casualty premiums soared to \$1 million, International Assn. of Accident Underwriters, predecessor of the executives group, declared the business had become one "too great for the human mind to comprehend." The bicycle was displacing the horse and carriage and was causing far more accidents. Harper's Weekly reported 15,000 bicycles within a 15 mile radius of Boston's municipal building and warned that two very serious additions to the cost of accident insurance had developed, the bicycle and the trolley car.

Foundation of the Business

Even in the gas lit days of the '90s, increasing accidents were a grave and expanding problem of the then very young casualty insurance business. But that is exactly the problem on which the business is built, he said, and its success lies in the ability of the business to control it. Then as now a strong nation demanded more speed, more leisure, more comforts, more gadgets and more push button living. As these demands of the people are fulfilled, just that much more will they need and want insurance and loss prevention services. That is one of the challenges to the business today.

There was also the problem of governmental regulation of the business. In 1902 a Congressional committee recommended a bureau of insurance be established in the forthcoming department of commerce. The committee reassured everyone that it did not intend to do away with state requirements, but in fact it was a proposal of federal regulation. The International association long and seriously considered the threat at its convention that year.

Today also there are many indications of the serious desire of political forces to control or dominate insurance operations, by regulation or governmental participation. Here is another challenge, he declared. The business has the duty to itself, stockholders, agents and the public to reach a sound meeting ground with supervisory authorities, one



H. P. Jackson

(CONTINUED ON PAGE 26)

Sees Balance in Future in Favor of Centralization

Application of management research to the insurance business will cut operating costs and increase efficiency and control, Frank Lang, manager of the research department of Assn. of Casualty & Surety Companies, predicted in addressing a gathering of New Jersey C.P.C.U. at Newark.

The essence of research is to challenge tradition, and scientific principles are the very foundation of the insurance business, Mr. Lang said. One company saved \$17,000 annually in clerical costs by questioning the concept that machine procedures were always more efficient than manual methods. It found, for instance, Mr. Lang said, that two steps involving that basic office machine—the typewriter—were eliminated in a simple 4-step accounting statement and trained statistical typists were released for other work.

Joint research seminars known as "Workshops on Cost Reduction and Control," currently being conducted by A.C.S.C. on a continuing basis, were described by Mr. Lang. These sessions, he said, provide the opportunity to approach broad management questions by pooling experience and analyzing the relative advantages of possible solutions to benefit all participants.

Currently, seminars are being held to study centralization versus decentralization of activities. Business and industry in general shows a definite trend toward decentralization for the past decade, he stated. However, cost reductions in operations can be achieved by further mechanization and it is a question whether branch offices can justify the expense of punch card accounting systems and reproduction devices at the present time. Such questions can only be answered by continuous management research, he said.

New developments in electronics are being carefully watched. Tremendous savings are indicated through the substitution of machine work for human effort. If an electronic computer can record on tape in eight hours the equivalent of over nine years' typing effort, this would seem to imply the centralization of all clerical operations at home offices for the future, Mr. Lang said.

Other broad management problems facing the insurance industry today include the use and function of management by committee as well as the possible integration of fire and casualty operations, he concluded.

Truck Driver Praised

Markel Service, Inc., has given out the results of a survey of automobile accidents that Markel contends prove that the professional truck driver is the safest driver on the highways. This showed that of 62,004 accidents in 1950, there were 53,403 involving collision between passenger cars and trucks. The truck driver involved, according to the survey, was held at fault in 18,601, or only 34% of these accidents, whereas the operators of private passenger cars were responsible for 66%. There were 350 fatal accidents in the number studied and truck drivers were at fault in but 20% of these.

Irvin S. Markel, president of American Fidelity, at a luncheon for the press at New York gave a talk on the improvement in the driving of trucks.

Robert Sullivan of Edward Gottlieb & Assoc., public relations counsel, presided. Other officials of American Fidelity present were Sam Markel, chairman; Stanley Markel, Milton Markel and Charles Ray. They were in New York for the meeting of American Trucking Assn.

J. E. Powell Heads Economics Society

James E. Powell, vice-president of Provident Life & Accident, was elected president of Insurance Economics Society at the annual meeting at Chicago this week. He succeeds F. L. Harrington, president of Massachusetts Protective and Paul Revere Life, who was elected to the executive committee.

Travis T. Wallace, president Great American Reserve of Dallas, was elected first vice-president, and E. W. Craig, president National Life & Accident, was elected second vice-president. H. O. Fishback, Jr., vice-president of Northern Life, was reelected secretary.

Others elected to the executive committee were: R. W. Smith, Sr., Unity Mutual Life & Accident; J. E. Hellgren, Lumbermens Mutual Casualty; Jarvis Farley, Massachusetts Indemnity; R. J. Wetterlund, Washington National, and E. J. Faulkner, Woodmen Accident.

E. H. O'Connor, managing director, reviewed the 1952 legislative results in the field of sickness compensation and sketched the problems ahead which should be watched in 1953 on both the federal and state levels.

Also discussed was the development of a broader educational program and a stronger legislative front on both the states and at Washington.

Take Trivia Out of Group Cover, Walker Suggests

Ralph J. Walker, Pacific Mutual Life, in his address at the annual meeting of Bureau of A. & H. Underwriters at Asheville, N. C., on the obligations of companies in the group field, which he termed the first line of defense against proponents of federal health insurance, outlined means by which the group insurers might improve their position.

He suggested that the trivial coverages be avoided. Writing insurance for the common cold, first doctor's calls, etc., is asking for the government to take over, he said. Instead, he recommended, the companies should recognize that they cannot compete on the basis of the social planners. The trend has been in the wrong direction, and the companies have been led rather than doing the leading. The solution to the high and unnecessary cost of trivia is deductible insurance, with safeguards against rebate, he declared.

Private insurance should provide the last dollar of coverage, Mr. Walker said, but not necessarily the first dollar. Co-insurance is not the proper answer to this problem because the price is too high. It violates the fundamental definition of health insurance, that of insurance against financial hardship, he declared. The industry should do more to get the cooperation of the doctors in controlling costs of illness, he remarked, adding "if we could rely upon the doctor to prescribe only what is necessary and charge only what he would charge a person of comparable means without insurance, then we could cover the last dollar of medical expense."

Minn. Imposes \$50 Fine

ST. PAUL — Auto-Owners of Lansing has been fined \$50 by the Minnesota department for allegedly issuing a comprehensive general and auto liability policy to a Minnesota county at unlawful rates. Commissioner Nelson said this action was unintentional but the laws must be enforced. He said that the action of Auto-Owners had been reported by another company that had been fined for a somewhat similar violation in 1948.

McKown Cites Danger to Insurance from Excessive Regulation

Many Problems Before White Sulphur Joint Casualty Convention

By KENNETH FORCE

WHITE SULPHUR SPRINGS — Unless regulation of the business by insurance departments is halted and reduced, complete control, including that of management functions, will result, Lyle S. McKown, president of Na-



Lyle S. McKown



H. R. Price, Jr.

tional Assn. of Casualty & Surety Agents, told the joint annual meeting of his organization and National Assn. of Casualty & Surety Executives here. A record crowd of more than 500 attended.

The agents' group at its Sunday executive committee meeting strongly opposed the unsatisfied judgment fund idea. Holton R. Price, Jr., St. Louis, chairman of the committee, presided at the meeting, which was attended on invitation by Walter M. Sheldon, Chicago, president of National Assn. of Insurance Agents; E. J. Seymour, Monroe, La., vice-president, and J. F. Van Vechten, immediate past president.

A resolution against UJF and compulsory auto was expected to come up at the full meeting of the agents group Wednesday.

Agents' Officers Reelected

Officers of the agents' association were reelected. Lyle S. McKown, Minneapolis, is president; Thomas W. Earls, Cincinnati, and Paul Sisk, Tulsa, vice-presidents; C. F. J. Harrington, Boston, executive vice-president; Holton R. Price, Jr., St. Louis, chairman; Robert E. Stitt, Chicago, secretary, and Alice M. Foy, Chicago, treasurer.

The executive committee now is composed of Wheaton A. Williams, Minneapolis; Carl P. Daniel, St. Louis; J. Edward Cochran, Hagerstown, Md.; E. R. Ledbetter, Oklahoma City, and H. F. Warner, Kansas City. Alternates are Cliff C. Jones, Kansas City; George W. Blossom, Jr., Chicago; Charles H. Burras, Chicago; A. E. Allsopp, Newark, and Robert N. Bowen, Indianapolis.

New directors are John J. Manley, Philadelphia; John C. Waghorn, New York; Joseph Barker, Omaha; Mathew P. Zendzian, Milwaukee; Arthur Anderson, Boston, and Walter Halla, Detroit.

The company organization wound up its official business at a short session Tuesday morning by reelecting officers: Harold P. Jackson, Bankers Indemnity, president; R. E. McGinnis, Central Surety, vice-president; George D. Mead, (CONTINUED ON PAGE 24)

Need Company, State Agent Hands to Ease Market Stringency

Wade Martin Tells Zone 3 Medicine Required in Auto Field

There was a big turnout at the zone 3 commissioners meeting at Mobile. There were about 400 at the dinner. This included a large insurance delegation, but along with that there was some civic participation such as the Optimist Club. Commissioner Longshore of Alabama was the toastmaster.

George Bowles, Virginia commissioner, spoke at a luncheon meeting on plans for the N.A.I.C. convention at New York in December. He said as usual the entertainment features will be subdued and there will simply be one group luncheon. He said that the plans for these conventions should be left

almost entirely to the assistant secretary at the headquarters office. There was a dance following the banquet.

Pat Murphy of South Carolina, vice-president of N.A.I.C., spoke on the sale of life insurance at military bases.

Wade Martin of Louisiana, who is president of N.A.I.C., spoke on the tight automobile insurance market. He said the insurance departments should strive to keep up with the actual rating needs in their states and should take the least possible time in making lawful and reasonable rate adjustments.

Hits "Arbitrary" Limitations

The insurers, according to Mr. Martin, should continue to maintain good underwriting practices and yet should refrain from applying restrictions that are not based on normal underwriting practices such as the imposition of arbitrary limitations on the amount of new business written and arbitrary classifications. The agent should undertake to assist all prospective insured whether the risk is ultimately written in one of his own companies or through the assigned risk plan. All segments of the business must work together to meet the current responsibilities promptly and efficiently pending a solution to the real problem which is that of the automobile accident.

In Louisiana, Mr. Wade remarked that a financial responsibility law went into effect Oct. 1, and on that date it

was estimated that 22% of the motorists had liability insurance. During the next year at least 50% of the owners will want to buy insurance, yet there are some companies that will not accept more than an additional 10% over their present writings. If all companies took such a stand it would mean a possible deficiency of 25% of coverage for those wanting insurance. If that should happen there will be more insurance in the assigned risk plan than in all private coverages.

Alternative Called Obvious

Mr. Martin emphasized that he was not criticizing good underwriting practices. However, under a compulsory rating system, the equivalent of compulsory insurance coverage facilities must be provided on a reasonable basis, he said. If the companies fail to provide what is needed, the coverage nevertheless will be provided in some way for those who need it and must have it.

Mr. Martin said the spotlight is turned on the insurance departments when the companies say that they are not getting sufficient rates. He expressed the belief that upon a proper presentation supported by reasonable data, rates will be established in accordance with the state laws on a reasonable basis. But with the ever increasing accident rate, it is almost impossible to keep the rate structure in exact proportion to the losses.

Help Route Assigned Risks

The agents, he said, should perform the public service of routing risks to the assigned risk plan efficiently. Even with the loss of commission which this entails it is still better than the commission that would be received under state funds or a federal insurance setup.

Davis, Central Standard V.P., Resigns to Take Field Post

O. F. Davis, vice-president of Central Standard Life, is resigning Nov. 1 to take a field management position for a midwestern company. Though details are not yet available, it is understood Mr. Davis' new position will be in the southeast.

Mr. Davis, who served as president of H. & A. Underwriters Conference in 1943-44, started in the business in 1921 with the old Commercial H. & A. of Springfield, Ill. This company later became Mutual Life of Illinois, and in 1926 changed its name to Abraham Lincoln Life. He was at one time agency director in charge of both the life and A. & H. departments of Abraham Lincoln, as well as a director.

With the merger of Abraham Lincoln and Illinois Bankers Life in 1935, Mr. Davis continued in charge of the A. & H. department and as assistant agency director. He was named secretary in 1942. He became vice-president of Central Standard shortly after that company reinsured Illinois Bankers in 1951.



O. F. Davis

Indicates Market Increasing for A. & H. Sales

The outlook for individual A. & H. insurance from the standpoints of market potential, competition, administrative problems, public relations, and state regulation, was given Bureau of A. & H. Underwriters at the annual meeting at Asheville, N. C., by Raymond F. Killion, a assistant vice-president of Metropolitan Life.

A shift to the so-called blue collar workers as the best prospecting area was suggested by the speaker as he noted that not only has the greatest numerical increase in persons employed occurred in manufacturing industries, but it is believed that the increase in both dollar earnings and real income has been the greatest for hourly-paid factory employees at the lower wage level. Metropolitan Life, he said, developed new occupation classifications to cover the manufacturing industries in order to put emphasis on this new market, and new business doubled. The agents are selling as much business in the new classes as had previously been sold in all of the other four classes combined.

Sales Actually Lag

The tremendous expansion in the market for A. & H. occasioned by higher incomes and greater number of employed persons has not by any means been discounted by current sales, Mr. Killion indicated, noting that the increase in A. & H. premium income has been primarily in the group and hospitalization line, while the increase under individual policies providing income replacement coverage has been "far more modest." Even though group insurance has made good advances in the manufacturing industries, there are plenty of opportunities for the sale of individual coverage, he remarked. There is room to supplement both group and workers' compensation coverage with individual policies, and at the same time there are many workers in companies too small to be attractive to group underwriters. There are more than eight million persons employed by firms having less than 20 employees, he observed.

Expects Few New Entries

The roster of new entrants to the A. & H. field may be nearing completion, Mr. Killion stated. Several companies which reviewed the possibilities have decided against entering the business, he said, remarking that some of the factors which may have influenced this decision will include the education of a field force in a new and complex business which would require an effort that might not pay off in results. "We must face the facts that agents of multiple line companies and life insurance agents have sometimes indicated a disinclination for A. & H. sales," he noted. "Home office problems of personnel and procedures may have had an adverse influence. Some companies, it is suspected, were influenced by a prospect of possibly poor claim experience such as developed in other areas in recent months."

The expense of development and operation, he added, may have appeared to some companies to be an insurmountable obstacle. The inherent difficulties in administering A. & H. with its unfortunately high lapse ratio, make it difficult to operate within the limits of a premium that will at the same time permit an adequate return to the policyholders. "Most important of all, companies probably realized on examination that the A. & H. business can be a speculative field from the company's financial standpoint and they did not feel that the benefits to be derived would compensate for the substantial risk involved. Perhaps they were discouraged by the difficulty of designing a product

(CONTINUED ON PAGE 22)



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What has an overnight bag to do with the cost of automobile insurance?

When the State Farm Mutual Automobile Insurance Company opens a new branch office the advantage of operating an insurance business by modern, efficient methods becomes dramatically apparent.

Repeatedly State Farm has moved entire divisions, serving one or more whole states, from the home office to new offices hundreds of miles distant . . . without losing more than a day or two of working time per employee moved!

Months before the move, qualified employees are recruited from the area in which the new branch is to be located. Some of these local people are brought to the Bloomington home office for intensive training. Home office employees are invited to transfer to the new branch office.

Some months before the office is opened, the whole division is moved out of the home office building to a "staging area" in a separate building nearby. There it functions independently through the trial period, with little more home office contact than that given any branch office.

On moving day each home office employee transferring to the new branch packs the contents of his desk into a box tagged with his name. Moving crews work all night. A day or two before the new office opens employees step aboard a special train or other conveyance to be whisked to the new branch city. Sunday is "settling down" day in the new living quarters already located for each employee by the State Farm Housing Bureau. Monday morning, each employee simply unpacks the one box assigned to him and goes to work.

State Farm efficiency—in this and many other matters—is one of the reasons why this great mutual insurance company can offer top-quality automobile insurance at such remarkably low rates. More than half of State Farm's automobile insurance business is now conducted from branch offices—six in all, and more to be added. State Farm has found that decentralization provides both faster and more economical service to its two and a quarter million members.

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Dallas, Texas—Charlottesville, Virginia—Toronto, Ontario. Field claim offices in more than 170 principal cities.

A. & H. Market Still on Uptick

(CONTINUED FROM PAGE 20)

which would be at once of value to the public, stimulating to the agent, and sound for the company."

However, a number of good sized companies have gone into the A. & H. field, and they have stimulated competition. Insuring clauses have been liberalized with the elimination or modification of protective language. Maximum periods of benefits for disability have been extended; coverage for hospital and surgical expenses have been

improved and introduced by more companies; age limits have been extended and renewal coverages liberalized; experiments are being made in new lines of major medical expense coverage. Mr. Killian warned that these liberalizations should be gone into carefully and should be based on sound judgment with the expectation that they can be continued indefinitely into the future.

Mentioning some administrative problems, he said that the expense situation is a serious one. Referring only to home office and policy writing expenses, he noted that nearly everything that goes into the expense column has increased sharply, and as a result "the average premium must be increased substantially in order that the policy expense

will not become an unsupportable percentage of the premium income."

Average premiums have increased in the last 10 years, but Mr. Killian said he doubts that they have increased sufficiently to effect a reduction in the percentage needed to cover policy expenses.

"Greater emphasis on increased premium is indicated," he observed. "We can encourage the agent to write larger premiums within the company's current underwriting limits. We can increase the underwriting limits. We can package more benefits in a single policy. We can encourage the sale of complete coverage against all hazards of accident and sickness."

Mengelberg Returns to Kemper Post; Gruhn Back to S.F.

W. R. Mengelberg, vice-president of Lumbermen's Mutual Casualty and American Motorists has returned from a year's leave of absence and assumed direction of the A. & H., boiler and machinery and bond and burglary departments.

M. F. Gruhn, vice-president, has left that post to assume supervision of the Kemper companies' Pacific coast operations. He will make his headquarters at San Francisco.



W. R. Mengelberg

III. Asks Injunction to Keep American Farmers Out Unless Licensed

The Illinois department has brought suit asking a permanent injunction against American Farmers of Phoenix to prevent that company from doing any further business in Illinois until it is issued a certificate of authority.

The suit was filed in circuit court of McDonough county, which granted a temporary injunction Sept. 29 preventing American Farmers from doing any business until a permanent injunction is either granted or refused.

The complaint alleges that American Farmers has actively solicited residents in Illinois by mail to become "recommending members." These "recommending members" are then invited to solicit insurance in Illinois, American Farmers providing supplies of applications along with company receipt forms.

American Farmers is said to use a subterfuge of giving its "recommending members," which the complaint states are actually agents, a "certificate of authority" of the company which confuses the "recommending members" into believing that the company is complying with the Illinois insurance laws. Included as a defendant is Bernard A. Pratt of Bushnell, Ill., who was alleged to have solicited insurance on behalf of American Farmers.

In addition to asking for the injunction, the department requests statutory penalties against the company. Provision for a case of this nature is for a fine of not less than \$100 or more than \$1,000 for each offense.

The president of American Farmers is Mike O'Sullivan, who is a colorful figure in the A. & H. ranks, known especially for his western garb and display of six-shooters.

MacDonald Detroit Speaker

Roy A. MacDonald, assistant director of H. & A. Underwriters Conference, addressed the Oct. 7 meeting of Detroit Assn. of A. & H. Underwriters on "Constructive Salesmanship."

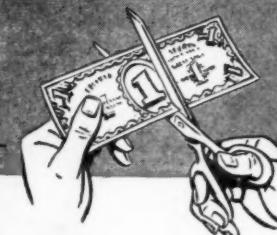
Driver Classification Study

A meeting has been called for the Hotel Statler, Boston, Oct. 21-22 by the N.A.I.C. subcommittee on automobile rates by driver classification study. This subcommittee is headed by Mahoney of Maine.

Hold Iowa Congress May 8

Iowa Assn. of A. & H. Underwriters will hold a sales congress at Des Moines May 8, it was announced at a luncheon held there.

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CHANGES

J. Craige Harper Heads New K. C. General Accident Unit

J. Craige Harper has joined General Accident as manager of the newly established service office at 405 Waltower building, Kansas City. This will develop business in Missouri, exclusive of St. Louis county, and in Kansas, and will also house the Kansas City claim department. It will operate under the supervision of the mid-western department at Chicago.

Mr. Harper entered insurance in 1938 and served with the army air corps from 1942 to 1945. Thereafter he was chief underwriter and special agent at Kansas City for Manufacturers Casualty and, later, superintendent of the casualty department of Massachusetts Bonding there.

Amer. Mutual Names Three

American Mutual Liability has named Henry R. Sotter district manager at Philadelphia; Mark R. Stoudt Pittsburgh district manager and Wilfred B. Cardis resident secretary of the Indiana-Kentucky territory. Mr. Sotter joined American Mutual in 1947 at Philadelphia; Mr. Stoudt, who is taking over Mr. Sotter's former position, joined the company in 1946 at Reading, Pa. Mr. Cardis started with Prudential of London in 1930, joining American Mutual in 1948.

Pratt Joins Saval at Boston

Howard Pratt, formerly resident vice-president of American Casualty for New England, has joined Maurice H. Saval, Inc., at Boston. Mr. Pratt's experience includes 23 years with Employers group. Since 1943 he was in charge of the New England branch of Accident & Casualty which merged with American Casualty in 1950.

He will head the newly created miscellaneous liability department of the Saval organization, which includes M. H. Saval, Inc., Boston, American Universal of Providence, and Newfoundland American of Montreal.

Rodney Stock Resigns

Rodney F. Stock has resigned as vice-president in charge of claims of Pioneer Mutual Casualty of Columbus, O. He had been with this company eight years and before that was secretary of Emmco Casualty and claim manager of the Emmco companies at South Bend. Before that he was claim manager for the old Central West and Great Lakes Casualty companies at Detroit for 10 years.

Rist Joins Chicago Agency

Lawrence M. Rist, who has been special agent with Hartford Steam Boiler, has joined the Critchell-Miller agency of Chicago in charge of the boiler and machinery department, which has been expanded.

Mr. Rist was with Hartford Steam Boiler beginning in 1939, except for 4½ years in the navy, where he became a lieutenant. He served as special agent, office manager, and more recently as special agent again. He is an engineering graduate of the University of Nebraska.

Chattanooga Claims Change

Joe A. Ellis has been promoted to claims manager at Chattanooga for Royal-Liverpool and his assistant is Richard T. Harley. Mr. Ellis succeeds Francis C. Barker, who resigned to reenter private practice of law at South Pittsburg, Tenn.

Dean S. Johnston has been named district claim manager of Allstate at Wichita. The office is under the direction of John H. Walgren, resident manager at Kansas City.

Bureau Man Explains New Hospital Cover

CINCINNATI—Norman Nachman, assistant manager of National Bureau of Casualty Underwriters, discussed the new hospital liability policy and rate structure before the insurance committee of Ohio Hospital Assn. here Tuesday in cooperation with a group of local insurance men. He recommended that all liability insurance be carried in the same company, but pointed out that American Hospital Assn. has strongly urged that a clear line be drawn between malpractice coverage and general or premises coverage, so that the rating structure can be kept distinct and said that the new hospital policy, though most comprehensive as to professional coverage, was devised with this intent. The discussion was informal and Mr. Nachman answered many questions throughout the session.

Among those participating were H. A. Zeally, administrator Elyria (Ohio) Memorial Hospital, who is chairman of the committee; Sister Elsie, Cincinnati, treasurer-general Sisters of Charity; H. C. Eader, Columbus, executive secretary Ohio Hospital Assn.; R. B. Devore, Cincinnati manager Hartford Accident;

H. P. Sweeney, Cincinnati agent, and A. M. O'Connell, president Cincinnati Fire Underwriters Assn.

Utilizing Older Work Force Described by Insurer M. D.

As the worker grows older his skill and judgment increase, especially through the fifth, sixth and seventh decades, if he remains in a good state of health, Dr. Carl T. Olson, division medical director of Liberty Mutual, told the personnel conference of American Management Assn. at New York. This makes the elderly worker a valuable member of the work force. He has a better absentee record, fewer accidents, less spoilage of materials and finished products, and generally exhibits more loyalty to his employer.

However, he does age physiologically, his physical motion slows up, reaction time is delayed, there is a decreasing ability to withstand fatigue and an increased tendency to mental and emotional imbalance. The healing processes slow up. The frequency of injury is lower in the older ages but severity of an injury runs about double the cost and time and expense of the group 18 to 40.

Management is confronted with the problem of utilizing manpower effectively, Dr. Olson said. This is its biggest problem today. As to the older worker, the solution lies in the maintenance of health, and here the emphasis must be on use of preventive industrial medicine. It includes such things as continuing physical examinations with constant matching of human capacities against the job demands. It places medical services as close to the work station as possible, provides for early diagnosis, utilizes a record system which itemizes all of the medical complaints and is analyzed periodically, etc.

Freeport, Me., Bank Loss

A primary bond of \$100,000 and an excess bond of \$150,000 was written by Century Indemnity, reinsured by National Surety and Aetna Casualty, on the Freeport, Me., branch of Lewiston Trust Co. from which the manager embezzled "at least \$158,000."

The U. S. attorney reported that the bank manager admitted embezzling the funds by juggling accounts for many years. A former army colonel, Sewall P. Foss, 67, was held after failing to provide \$25,000 bail. He had been manager of the branch since 1932.

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Danger in Excessive Regulation

(CONTINUED FROM PAGE 19)

Glens Falls, chairman of the executive committee, and J. Dewey Dorsett, secretary. Ellis H. Carson of National Surety was added to the executive committee.

The agents discussed functional distribution of commissions and brokerage which will be on the commissioners' uniform accounting subcommittee, agenda at Chicago Oct. 20-21. They discussed also the New York demerit rating plan, which apparently is not to be filed with other state departments.

C. F. J. Harrington, executive secretary, reported that members in 29 states have indicated their willingness to participate in a reciprocal free countersignature program.

Agents face a drastic reduction in commission on Defense department group life and A. & H., F. A. Rolosen, Baltimore, reported. The munitions board seems determined to save money on defense project insurance. Producers have proposed that the commission on premiums of up to \$50,000 on 500 lives be at the current level but have had no decision.

Mr. McKown called for a reexamination of the rating laws and changes in them to remove the fetters that are restricting the freedom of operation of the business.

The fundamental purpose of the insurance department is to assure the sol-

vency of companies from which the public buys insurance. That is a proper objective, he said, and most department officials are trying to do the job the laws direct them to do and no more.

Some, however, seem to feel charged to run the business, he added. The business, knowing now the errors it made, should acknowledge and rectify them. It can now do a much better job on the laws, in the best interest of the public and the business.

He noted that the rating laws are one phase of the problem that confronts the business today. Profit factor, executives' salaries and commissions to agents are another. The business was so frantic to get the rating laws it has, to escape the effect of interstate commerce legislation, that it jumped into them.

Problems of Increasing Control

With increasing control by departments it is tough to get needed additional rates. There are delays. These may seriously affect the solvency of some companies. Certainly they have resulted in sharp curtailment of the market in some areas.

Why not now seek rating laws which say the rates must not be excessive? Insurers are the first to know if rates are inadequate or excessive, he said. Insurance is an averaging. Rates can't be adjusted monthly, and occasionally and

temporarily they are too much or too little.

Free competition will adjust rates, he said. The less regulation there is, the quicker the adjustment.

The essence of underwriting is discrimination, he said. But today all selection must be justified by filing of forms and rules which are subject to departmental review. The result is restricted development of new forms and of experiments growing out of competition.

He urged a review of the whole subject of public law 15 and rating laws, a comparison of the present status of the business and the intent behind those laws.

The individual insurer is practically helpless in the field of regulation and legislation, he said, but the political strength of producers is almost untouched. If aroused, coordinated and directed, the political force of producers in combination with insurers can do what needs to be done, he believes.

Mr. Jackson's talk, reported elsewhere, was attentively followed and loudly applauded by a large opening day crowd.

Commissioners on hand at the convention were Bohlinger of New York, Leslie of Pennsylvania, Martin of Louisiana, Mills of West Virginia, Navarre of Michigan and Southall of Kentucky. Wade Martin brought greetings from the commissioners' group, of which he is president.

Ask Conference, Oppose UJF

The agents' group adopted a resolution recommended by the directors, that the association request National Bureau of Casualty Underwriters for the privilege of conference before promulgation of any rating plan that in any way goes contrary to the association resolutions of 1936 and 1937. These in essence reiterated the principle that when a reduction in commission is contemplated by the bureau in its rate making, for any reason, a corresponding reduction be made in the home office expense loading.

The agents also went on record as opposed to any kind of unsatisfied judgment fund. The resolution gave several reasons for opposition. Such funds are inequitable, they require insured motorists to pay substantially all of the fund cost, they are wholly impractical unless a large percentage of motorists are insured. Also, a state-operated fund puts the state in the insurance business, a company-operated fund burdens companies and buyers. Any emphasis on such a fund lessens attention on enforcement, engineering and education.

The association emphasized the need of publicizing and enforcing vigorously the financial responsibility laws. It voted to continue opposing compulsory and favoring automobile FR laws. It renewed its contribution of \$500 to C.P.C.U. and \$100 to the national committee on traffic safety.

Harrington Cites Wisconsin Report

In his report C. F. J. Harrington, executive vice-president, noted that the Wisconsin interim legislative commission has reported against compulsory auto and UJF and for strengthening of traffic enforcement and impoundment which is on all fours with the association's recommendations. The report now goes to another commission before reaching the legislature, but Mr. Harrington believes the report will be substantially what it is now.

The limited automobile market in Massachusetts is very acute, he said. The industry is trying to solve the problem and he thinks a partial solution has been evolved. He expects to have a report shortly after mid-October. Prompt solution is needed because of renewal of most policies Jan 1.

(From other sources it is learned that quite a number of insurers are pulling out of the auto market in Massachusetts or are disposed to do so in view of inadequate rates and rising loss ratios. There is revived talk of a state fund. The home companies and the few large auto writers from outside are much concerned.)

The association needs to watch for commissioner developments, Mr. Har-

rington said. Some insurance department people seem inclined to think seriously about regulating commissions, which the rating laws do not contemplate. He said the group will continue to oppose regulation of acquisition cost and noted this is on the agenda of the uniform accounting meeting at Chicago later this month. The group is supporting the companies in their call for a 5% profit factor without consideration of investment earnings. If they can get it, the market will be eased, he thinks.

Mr. Harrington will discuss current problems and developments at the Cleveland Board meeting Nov. 13.

Wade Fetzer, Sr., of Chicago was asked to take a bow. He is the only living member of the association's founding group.

Increase Board Membership

Holton R. Price, St. Louis, board chairman, suggested a constitutional amendment, which was adopted, increasing the maximum number on the board from 35 to 40. The minimum continues at 25. The amendment also provides for filling vacancies between annual meetings.

Martin W. Lewis of Surety Assn. of America took advantage of the presence of many executives of his companies to hold a breakfast session and report on the state of the business from the association viewpoint.

Robert E. Stitt of Chicago reported membership has increased 44 to 426, with increased money in the till. J. Elliott Hannon of Cleveland made the auditing committee report.

Drastic Changes in Okla. Compensation Law Proposed

OKLAHOMA CITY — A vigorous investigation of Oklahoma workmen's compensation rates is proposed by a state legislative council sub-committee, based on the fact that similar rates in Texas are lower than those in Oklahoma. Among the proposals reported by the sub-committee are:

1. Abolish the present five-man industrial commission and set up a three-man board.

2. Give injured workmen the right to trial of their case by a county judge or the industrial commission. (At present workmen must get a commission ruling with appeal to the supreme court on questions of law allowed.)

3. Allow compromise of injury claims by employer and employee.

4. Reduce the cost of settling each compensation claim.

5. Give workmen the right to choose their own doctor in a compensation case.

6. Raise present compensation from \$25 a week to "adequate weekly compensation."

Drastic changes in state law to give faster and cheaper justice to Oklahoma injured on compensation-covered jobs were also recommended by the committee.

Callahan Madison Speaker

Thomas Callahan, Time, Milwaukee, vice-president of International association, spoke on "You Can Beat the Law of Averages," at the monthly luncheon of Madison (Wis.) A. & H. Assn. Charles B. Stumpf, Illinois Mutual Casualty, reported on plans for DISC on a state-wide basis. It would be a three-day course at University of Wisconsin.

Bituminous serves the Agent

Specializing in
workmen's compensation
and all lines of liability coverage

BITUMINOUS CASUALTY
CORPORATION

ROCK ISLAND ILLINOIS



REINSURANCE UNDERWRITERS

INCORPORATED

OTIS CLARK, President

Complete Facilities in
the domestic and
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FIDELITY AND SURETY

Special Bond Is Brought Out for the Mortgage Man

Leslie H. Koch of Chicago gave a talk at the convention of Mortgage Bankers Assn. of America in his city, outlining a form of coverage that he is able to offer through London Lloyds. It is a combination of blanket bond coverage and errors and omissions insurance for mortgage loan houses. Mr. Koch distributed a pamphlet outlining the main features of this contract and containing an application form.

The pamphlet states that mortgage bankers blanket bond was designed under the auspices of the research committee of Mortgage Bankers Assn. and underwritten by Lloyds and offered by Mr. Koch. The research committee, according to the pamphlet, has been seeking recognition for the mortgage man as a distinct class for coverage and rate in the blanket bond field. Under the errors and omissions coverage, the underwriters agree to pay sums which the insured shall become obligated to pay through negligence, error or omission.



FARM LIABILITY

✓ Any farm owner needs liability insurance. Whether or not he lives on the farm, he knows how easily an accident can happen. You can show him how easily those accidents turn into claims for damages.

✓ The basic comprehensive form under which most farm liability is written originated with the "Shelby Mutual". The simplicity of the "Shelby" rating plan is still exclusively our own. When YOU go after Farm Liability both policy and rating plan have their advantages.

The SHELBY MUTUAL CASUALTY COMPANY

of Shelby, Ohio
Insurance Since 1880



and the insured is protected whether in his capacity as mortgage servicer, real estate manager or insurance broker or agent.

So. Cal. Surety Men Meet

LOS ANGELES—The proposed new sub-contractor's bond and the revision of finance bonds were discussed by Surety Underwriters Assn. of Southern California at its October meeting. An invitation was received from Assn. of Insurance Buyers to attend its meeting Oct. 22. Vice-president P. J. Gauthier was named to represent the association at that meeting.

A nominating committee was named to report at the November meeting.

Big Coast Bonds Written

Nicholson, Ferry & Van Volkenburg, Los Angeles, have been awarded the contract for dormitories at the Castle Air Force Base, Merced, Cal., at \$1,536,479. Hartford Accident and U.S.F.&G. have executed the bonds.

W. P. Neil, Los Angeles, at \$1,080,978 has been awarded the contract for the public works office building at the El Toro Marine Base. Hartford Accident is on the bond.

Shea Co., Los Angeles, has been awarded the contract by the Los Angeles metropolitan water district at \$1,598,808 for the construction of the Cahuenga tunnel. Hartford Accident has executed the bond.

Big Shortage at Pontiac

Indemnity of North America has the bond on National Discount Corp., the auto finance company of South Bend. A possible shortage amounting to as much as \$1 million in the branch of National Discount at Pontiac, Mich., was extensively publicized. The alleged frauds involved fictitious automobile transactions.

ACCIDENT

N. Y. Bans Personal A. & H., Life Cover Combination

Deputy Superintendent Murphy of New York has rejected an application for approval of a personal A. & H. policy to be issued only in conjunction with a life insurance policy.

Mr. Murphy said that such an offer "constitutes an inducement to insure not specified in the life insurance policy in contravention of section 209 of the New York insurance law."

H. & A. Conference Executive Group Has Chicago Parley

American United Life of Indianapolis; Atlantic Life of Richmond; Brotherhood of Railroad Trainmen, Cleveland; Home State Life, Oklahoma City; Midland National Life, Watertown, S. D.; North American Life Assurance, Toronto, and the Old Republic Credit Life of Chicago, joined H. & A. Underwriters Conference at the executive committee meeting in Chicago Oct. 6.

The actuarial firm of Harry S. Tressel & Associates of Chicago, also joined the conference as associate members.

The affiliation of these companies brings the membership to 184 companies and 10 associate members.

The meeting was conducted by H. Lewis Rietz, vice-president of Lincoln National Life, executive committee chairman. Plans were discussed for the annual meeting at the Drake hotel, Chicago, May 4-6.

Mental Health Problems Up

Ralph C. Kuhli, Madison, director of the division of health education of the Wisconsin board of health, discussed "Mental Health Problems" at the October luncheon-meeting of A. & H. Underwriters of Milwaukee.

... a helpful guide to more sales



IT'S a satisfying feeling—and a real time-saver—to have a dependable market for all lines of business, regardless of character.

A. F. Shaw & Company has been serving agents and brokers for over a half century, serving their needs quickly, efficiently and with a minimum of red tape.

Next time you have a particular problem let us demonstrate how you can profit to a greater extent by A. F. Shaw & Company service.

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Opportunities...

A. F. SHAW & CO., INC.
INSURANCE EXCHANGE
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Dependable Insurance
Providing Proper Protection



TRINITY UNIVERSAL INSURANCE COMPANY

DALLAS, TEXAS

Pioneers in Multiple-Line Underwriting
FIRE • CASUALTY • BONDS

EDWARD T. HARRISON, Chairman of the Board
GORDON S. YEARGAN, President

Zone 4 Officials Meet at Milwaukee

(CONTINUED FROM PAGE 1)

insurance director, gave a paper on regulation of installment sales. Mr. Dirksen's talk was mainly a review of regulatory and legislative attempts to deal with abuses in the handling of insurance in connection with installment sales. He gave some firsthand impressions, however, saying that just recently a complaint was made to the Illinois department about an appliance company that collected \$20 for accident and health coverage in connection with the installment sale of refrigerators. There was no insurer involved. It was simply an agreement by the appliance company that monthly payments would be waived upon the purchaser furnishing a certificate of disability by a physician. Mr. Dirksen said this has been stopped as an unauthorized insurance operation.

The Chicago Packing House Workers Union complained to the Illinois department that auto dealers and their salesmen are not licensed and the purchaser lacks recourse when law has been violated. They said usually no policies were received by the customers, there was misrepresentation as to the amount of collision deductibles, there was no breakdown of finance charges and insurance premiums. This group indicated a firm purpose to get other groups interested in the enactment of an installment sales law but in the meantime, they insist that the insurance department publish rules and regulations on the insurance phases relating to installment sales.

Cites Interest of FTC

Mr. Dirksen reviewed the work of the N.A.I.C. committee that eventuated in the regulations. He also pointed out the interest that federal trade commission has taken and the regulations it has issued. He said that when FTC is informed of probable violations of the code and the requisites of commerce and public interest appear to be present and to which the FTC act is applicable, reference for state attention is made when the state in which the transaction occurs has applicable legislation and when, in the opinion of the commission, such legislation is adequate and is being enforced by the state.

Mr. Dirksen said he made a hurried survey and found that at least 18 states have some kind of installment sales statute or rate regulations or both. Only

North Carolina, Florida, Minnesota and New York have taken action to adopt in substance the uniform regulations proposed by N.A.I.C.

Mr. Dirksen mentioned that the famous General Motors Ohio agent licensing case has been appealed to the U. S. Supreme Court and he opined that the outcome of this case will clarify the question in other states of whether vendors of financed cars should, as a matter of policy, be entitled to an agent's or broker's license. Pending final decisions of the courts on major coercion and licensing questions, protection should be offered either through rules or licensing and regulatory statutes of dealers and finance companies so that the buyers and sellers on installment plans will be on a more nearly equal bargaining basis and the greater evils will be minimized.

Many of the conventioners stayed over and were taken to the Wisconsin-Illinois football game at Madison Saturday. They were entertained at an industry luncheon at Madison.

Add Television to F. P. Observance

(CONTINUED FROM PAGE 1)

fire safety films were sent to more than 500 organizations. Twenty-two special features and three general press releases were done. Cartoon and poster mats went to nearly 900 newspapers. Spot announcements were distributed to radio stations.

Aside from the press and radio, local agents, local boards, fire chiefs, chambers of commerce, junior chambers of commerce, safety councils, schools, churches and civic organizations were among those receiving material.

The television shorts explain how to turn in a fire alarm, what to do until the firemen arrive and how to put out small kitchen fires. These have been used by some stations prior to fire prevention week, and many stations are expected to use them after the week, thus adding to the 52-week fire prevention observance desired by the national board.

Three months of preparation precedes the distribution of material, which begins in September.

A program in observance of fire prevention week by Illinois Institute of Technology was televised at Chicago Monday afternoon. Prof. John J. Ahern, director of fire protection and safety engineering, and Fire Chief Edward E. Newell, Chicago fire department, demonstrated "Everyday Fire Hazards in the Home and their Prevention." Demonstrations included use of fireproof paint, kitchen grease fires, spun rayon fires, Christmas tree fires, and electrical fire hazards in general.

New Agents Club Formed

YOUNGSTOWN, N. Y.—The newly formed Lewiston-Porter Agents Club has been incorporated. Officers elected are: President, Robert Stevens, Lewiston; vice-president, C. Edgar Allen, Lewiston; executive secretary-treasurer, Daniel L. Wilson, Youngstown; corresponding secretary, Leo Thaler, Lewiston.

Guenther Back to Albany

Paul B. Guenther has returned to Albany as district secretary of New York Fire Insurance Rating Organization. He succeeds Henry L. Betts, recently transferred to Syracuse as district secretary.

Mr. Guenther was previously at Albany 1945-50 and the last two years has been associated with the central office at New York.

STATEMENT OF THE OWNERSHIP, MANAGEMENT AND CIRCULATION REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946

(Title 22, United States Code, Section 233) of The National Underwriter, published weekly, with an additional issue in June, at Chicago, Ill., for Oct. 1, 1952. The names and address of the publisher, editor, managing editor, and business managers are: Publisher, The National Underwriter Co., Chicago, Ill. Editor, None. Managing Editor, Levering Cartwright, Evanston, Ill. Business Manager, C. J. O'Farrell, Chicago, Ill. 2. The owners (if owned by a corporation, its name and address must be stated and also immediately thereafter the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati; John Z. Herschede and Elizabeth W. Herschede, Trustees, Cincinnati, Ohio; Levering Cartwright, Trustee for C. M. Cartwright and Kathryn Cartwright, Evanston, Ill.; H. J. Burridge, Cincinnati, Ohio; Levering Cartwright, Evanston, Ill.; Russell Cartwright, Evanston, Ill.; Ruth Cartwright, Evanston, Ill.; Lester K. Wadsworth, Chicago, Ill.; H. E. Richman, Upper Montclair, N. J.; George W. Wadsworth, Chicago, Ill.; How & Co., Chicago, Ill.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total of bonds, mortgages or other securities are: (If there are none, state.) None.

4. Paragraphs 2 and 3, include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs to show the affiant's full knowledge and belief as to the circumstances under which stockholders and security holders who do not appear upon the books of the company as trustees hold stock and securities in a capacity other than that of a bona fide owner.

5. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semi-weekly, and tri-weekly newspapers only.) 14,502.

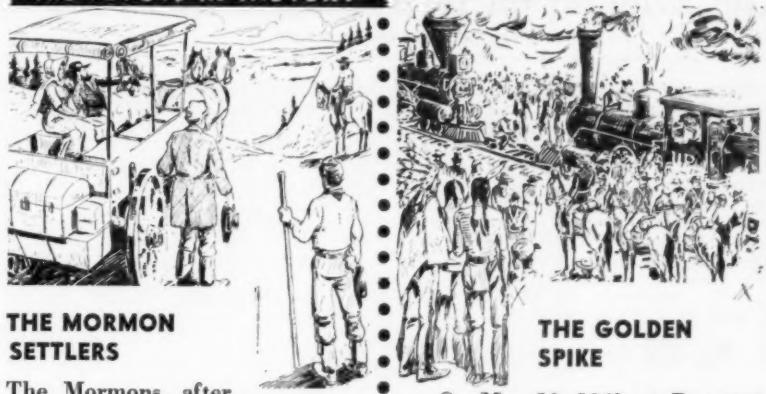
R. J. O'Brien,
Sworn to and subscribed before me this 30th day of September, 1952.

H. E. LISTUG.

My commission expires Aug. 18, 1954.

HIGH SPOTS IN HISTORY

47: UTAH



THE MORMON SETTLERS

The Mormons, after a long, rigorous trip, under the leadership of Brigham Young, settled on the present Salt Lake City site in 1847.

THE GOLDEN SPIKE

On May 10, 1869, at Promontory, a golden spike marked the completion of the first transcontinental railroad.

ALSO A HIGH SPOT . . .

in many insurance agents' careers is when they join Hawkeye-Security & Industrial's great team.

Hawkeye-Security & Industrial are working constantly to build more sales for agents; prompt, equitable settlements of claims . . . and skilled field representatives to work closely with all agents are just a few of the reasons why the trend is to Hawkeye-Security & Industrial.



HAWKEYE-SECURITY INSURANCE CO. INDUSTRIAL INSURANCE CO.

Des Moines, Iowa



You Name It...We've Got It...

Years ago Mutual of Omaha was convinced that no single plan of insurance could meet the needs of all people under all conditions. Today there's a wide and flexible variety of low-cost plans in the Mutual of Omaha portfolio. What'll it be? Sickness and Accident Protection? Income Replacement? Hospital Insurance? Surgical? Dread Disease? Group? World-wide Travel Accident? Mutual of Omaha has them all, and more besides. The policy owner can pick most any plan or combination of plans he wants, at a price he can afford to pay. More than 2 1/4 million policy owners now look to Mutual of Omaha for protection. In 1951 alone, Mutual of Omaha paid more than 55 million dollars in benefits.



The Largest Exclusive Health and Accident Company in the World

MUTUAL BENEFIT HEALTH & ACCIDENT ASSOCIATION, OMAHA, NEBRASKA

Get Briefing on New Empiro Policies

(CONTINUED FROM PAGE 1)

ordinary way there would be five extensions of the amount of insurance times the rate plus the addition.

With the Empiro policy, he said there would be not more than three premium cards to punch, whereas on the conventional basis there would be from 8 to 11 such cards.

He thought there would be some saving because burglary and liability insur-

values had been arranged in such a way that if a policy is not continued for the second year, the company and the insured are even Stephen. That is the way the short rate table works out.

At the end of the first year the earned premium is 36% made up of 33 1/3% plus 10%.

Mr. McCullough was asked about the valued policy laws in relation to this

casualty lines. He said the companies would not use this plan to evade tax burdens. Similar difficulties arise in connection with inland marine and auto physical damage coverages. A formula basis is one answer. However, the only permanent solution, according to Mr. McCullough, is revision of the law to equalize the fire and casualty taxes.

The program involves use of the deductible on those coverages for which a deductible plan is approved. In the absence of such deductible, full coverage will be provided. That, he said, is the situation, for instance, in Colorado.

increased on the contents. He emphasized that this policy can be sold only to owner-occupied one and two family dwellings. Coverage is given for the physical damage perils only on the principal dwelling, but the comprehensive personal liability can be extended on other residences so that the insured won't have to pay two or more minimum premiums.

He pointed out that on coverage B, the insurance is 10% of A; on coverage C it is 40% of A; on coverage D it is 10% of C or \$1000, whichever is less. On coverage E in policy A it is 10% of A, and in policy B it is 20% of A.

R. E. Thomas Named Secretary-Manager of Ark. Agents

Roy E. Thomas, Wolfforth, Tex., local agent and a former field man for Floyd West & Co. general agency, has been named the new secretary-manager of Arkansas Assn. of Insurance Agents. He succeeds Miles O. Moore, who resigned recently.

Mr. Thomas, who has already taken over his duties, is a graduate of University of Arkansas and has done graduate work in insurance at University of Texas. During the war, he was with the army for 29 months.

For two years he was with the Campbell & Vineyard agency of Little Rock, representing Aetna Life at Magnolia. He then joined Floyd West & Co. in the fire underwriting department at Dallas, later becoming special agent at Lubbock. Since February, he has operated a local agency at Wolfforth.

Auto, Fire, Agency Talks for Michigan Mutual Agents

The program for the Nov. 6-7 convention at Detroit of Michigan Assn. of Mutual Insurance Agents will include these talks on automobile coverage: "The Agent's Position with Compulsory Insurance," Stuart H. Struck, research director motor vehicle accidents, University of Wisconsin; "What Can Be Done About Insuring Youthful Drivers," Berthold Woodhams, president Citizens Mutual Automobile; "When Does an Agent Become an Illegal Lawyer?" Robert Crawford, Ann Arbor, and William Jamieson, counsel Auto-Owners.

On the fire insurance side are: "Fire Prevention as an Aid to Sales," W. G. Schultz, chief engineer Lumbermens Mutual; "Changes in Fire Insurance Forms," John Fles, vice-president Michigan Claim Service.

On agency matters are: "Errors Agents Make in Their Accounting Procedure with Home Office," J. J. Stefani, Badger Mutual; "Simplified Agency Accounting and Record Keeping," R. J. Layton, Rough Notes Co.; "Why Should an Agent Use Errors and Omissions Insurance?" Charles Belsan, assistant general counsel Shelby Mutual Casualty; "How Can I Combat Competition from Non-Agency Companies?" C. E. Hermany, assistant sales manager State Mutual Auto.

Norman Wade, director of auditing and taxation of the Michigan department, will talk on "Development in the Insurance Department Affecting Agents"; Phil Baldwin, secretary of the National Assn. of Mutual Agents, on "Your Benefits as a Member of the Mutual Agents Association," and Gordon Ingebritson, president Michigan Adjustment Bureau, "Interesting Inland Marine Cases."

The Fetter agency of Findlay, O., has taken over the agency that was operated by the late H. Fred Cromer. Mrs. Cromer retains a life interest in the consolidated agency. The office will be known as Fetter, Steegman & Cromer. William H. Fetter and Carl D. Steegman are the principals.

HOMEOWNERS POLICY B

No. HOB

RENEWAL OF NUMBER

DECLARATIONS

Named Insured _____

Location _____

City or Town _____ County _____ State _____

EXPIRES _____

Construction of dwelling _____

Approved Roof Unapproved Roof, not exceeding two families and not exceeding two roomers or boarders. Protection class _____ Zone _____ Not more than _____ feet from hydrant.

Number of additional dwellings, owned or occupied by the named Insured or his spouse (applicable to Section II only) _____

Number of such dwellings rented to others or held for rental _____ Not more than _____ full time residence employees.

Name of First Mortgagee _____

Address _____

Section	Coverages	Limit of Liability
I	A. Dwelling	\$
	B. Appurtenant Private Structures	\$
	C. Household & Personal Property on the Premises	\$
	D. Household & Personal Property Away From the Premises	\$
	E. Additional Living Expense (Limited to 25% Per Month)	\$
II	F. Comprehensive Personal Liability—Bodily Injury and Property Damage,	Each Occurrence \$
	G. Medical Payments,	Each Person \$

*Subject to a limit of \$500 on boats and their equipment, \$100 on money, \$500 on securities and manuscripts, and \$1,000 on any single unset gem or article of jewelry or fur.

In Consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Above Specified

(or specified in endorsement attached hereto) this Company, for the term of

Three Years

(At Noon Standard Time) to

(At Noon Standard Time) at location of property involved, to an amount not exceeding the amount(s) above specified, does insure

the insured named in the declarations above

and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED to the property described hereinafter while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

In Witness Whereof, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized Agent of this Company at

Countersignature Date _____ Agent _____

OP101-O (Pa.) (Del.)

ance would be sold to a select class of prudent insured, that is—those living in their own homes. In the ordinary course there is some selection against the companies in connection with these covers.

In answer to a question, Mr. McCullough brought out that the premium

policy and he expressed the belief that these would not pose any great obstacle. He was asked about premium tax liability where there are special taxes on fire insurance for firemen's relief, etc. He said there is a problem where the premium tax rate varies between fire and

However, he declared that the package becomes much more attractive on the deductible basis. The premium can very often be cut \$25 to \$30 in this way.

Mr. McCullough pointed out that any other insurance on the dwelling itself is prohibited, but the coverage can be

He emphasized that only two family members are covered for the premium. The comprehensive plan extends protection to the insured for minimum coverage B, on coverage C, coverage D it is 10% less. On coverage E, 10% of A.

Named Manager

Tex., local manager for Floyd, has been manager of Service Agents, who re-

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Talks for ents

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THIS IS AMERICA

... this is your right!

IT is by far the greatest right that man, woman or child can ever hope to inherit.

It is the right to elect, in company with your free fellow men, those who will represent you in government, and to sit in final judgment on the manner in which they administer the affairs of your country.

This is your right, your privilege and your sacred duty as a citizen, be you a person of much or little

education, of small or large possessions. In this free democracy of ours it is always the people who have the *last word*.

This is America.

May we always preserve and protect, by every means at our command, our precious right to vote — the right which insures our continuing freedom.

Vote as you will . . . but vote!

The EMPLOYERS' GROUP Insurance Companies



AMERICAN EMPLOYERS' INSURANCE CO.
THE EMPLOYERS' LIABILITY INSURANCE CORP., LTD.
THE EMPLOYERS' FIRE INSURANCE CO.

110 MILK ST.
BOSTON 7, MASS.

For all types of Fire and Casualty Insurance or Fidelity and Surety Bonds, see your local Employers' Group Agent, The Man With The Plan
REPRODUCTION OF FULL PAGE ADVERTISEMENT IN SEPT. 29 AND OCT. 20 ISSUE OF TIME MAGAZINE.

Full-color enlargements (19" x 25") for posting gladly sent on request.

Your Insurance Agent—
The Man of Many Interests

A VERSATILE MAN, your Home Insurance agent. He knows insurance, sure—that's his life's work. But you may find that he's also a prime mover in many important community activities. It's his nature to work *with* and *for* people. As a good insurance man, naturally he has a keen sense of responsibility, gets satisfaction from doing things for people. In short—he's your good neighbor.



Like a Doctor,
 your insurance man
 has a 24 hour a day job.

An Independent Businessman, your property insurance agent has invested his money as well as his efforts in your community. He knows the problems of both businessman and homeowner and you can depend on this—he's loyal to you and your town.



A Real Safety Salesman, your insurance agent is interested in preventing trouble for you and your neighbors. That's why so many Home agents are leaders in worthy community projects—

This Could Be Your Ad

The advertisement above . . . one of a continuing series . . . tells the story of a man—a typical insurance agent. It will be seen by *more than 19 million* readers of national magazines.

The story it tells is important to the Home agent. It represents him in a new and significant light to the people he serves—establishes his important place in his community. It's designed to help you sell by selling *you* to your customers and prospects.

**THIS ADVERTISEMENT
 WILL APPEAR IN**



★ THE HOME ★ *Insurance Company*

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • **AUTOMOBILE** • **MARINE**

THE HOME INDEMNITY COMPANY

Casualty Insurance • Fidelity and Surety Bonds

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